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PEACE IN SIGHT!

Germany Accepts President Wilson's Fourteen Articles.

Since the "Progress of the World," which fills the following pages, was written, Germany has replied to President Wilson's inquiry. As I have pointed out in the "Progress," the differences between. Berlin and Washington, so far as the fourteen articles were concerned, were not so great as was generally supposed. The amounced determination of Turkey and Austria to agree to these removed some of the main difficulties in the way of acceptance so far as Germany was concerned. That is to say, if Turkey acquiesces in being shorn of her provinces, and approves of the internationalisation of the Straits; if Austria submits to a "readjustment of the frontiers of Italy along clearly recognised lines of nationality," and agrees that her subject peoples are to be accorded the freest opportunity of autonomous development, Germany is concerned only with those articles which directly touch her.

She evidently agrees to permit the future of the colonies to be left to the decision of the Peace Conference, which is to be arrived at in a free, open-minded and absolutely impartial manner as set out in Article 5. She has already proposed the creation of an independent State of Alsace-Lorraine based on the wishes of the inhabitants. The chief point of difference, as indicated in the brief examination of the Articles in the pages which follow, is Poland, where German declarations and American proposals strongly clash. Evidently the acceptance of Article 13 indicates that Germany is now willing to make concessions in order to establish a new Polish State with free access to the sea.

When the news came through that Germany had accepted the President's tourteen articles, many people jumped to the conclusion that peace was practically assured. Such acceptance alone, however, does not by any means denote the immediate ending of the war. Ever since President Wilson's speech of September 27th, I have felt quite certain that peace would come this year, but much negotiation, and, it may be, further pressure, will be required before the war ends. The position is as follows:-Germany sends a Note to President Wilson, requesting him to approach his Allies with a view to begin peace negotiations, declaring that she accepted the President's fourteen articles, and particularly his speech of September 27th, as the basis for these negotiations. The President, instead of refusing absolutely to hold any communication with Berlin, directs an inquiry thither in order to satisfy himself on certain points before approaching his Allies. He asks, first, whether the German Government accepts his fourteen articles absolutely or not; and, second, asks for assurance that the German Chancellor is speaking on behalf of the German people, not on behalf of the constituted authorities who have so far conducted the war. The inference is that he would do nothing further in the matter until quite convinced of the democratisation of the German Government, and assured of Germany's complete acceptance of his

If satisfied with the German reply, he would then apparently approach the Allies. That is as far as matters have got at the moment, though, ere these lines appear, the President will either have expressed himself distrustful of the Chancellor being in very truth a representative of the people, or will have got into communication with his Allies with a view to the starting of peace negotiations. In his first reply the President very properly refused to suggest an armistice

whilst the enemy were in occupation of Northern France, Belgium, Venetia. Serbia and Montenegro. The Germans in their answer offer to evacuate, but suggest that this is a matter to entrust to a mixed commission, which would make the necessary arrangements. The President will probably refuse this suggestion, and insist that before there can be any armistice enemy armies must be entirely withdrawn from the occupied territories. But even if the arrangements for an armistice are not concluded conversations concerning peace will probably continue.

In their reply the Germans emphasise again that the President's speech of September 27th is one of the foundations on which peace negotiations are to be built—that speech was carefully examined in our last number, and is obviously now of the very highest importance. The Germans further set out that they believe the Governments of the Powers associated with the United States also adopt the position of President Wilson in his addresses. No sign has been given as to how France, Great Britain and Italy regard the opening of negotiations on the basis of the fourteen articles, though eminent statesmen have indicated their agreement therewith in general terms.

I have pointed out again and again how great must be the influence of President Wilson in Allied counsels. The present victories in France might not have been won had there not been American forces in Europe, had there not been certainty that huge American armies were almost immediately available. No less a person than the Chancellor of the Exchequer has assured us that had American aid not been forthcoming, the financial position of the Allies would have been extremely difficult. The United States at great sacrifice to its own people supplied England, France and Italy with the food they needed to supplement their own inadequate supplies. Without the aid of American ship-yards the submarine might not have been scotched, but might still be extremely dangerous. In fact, had America not come in when Russia went out there would not have been such a position as the cables are unfolding for us to-day.

But immense as has been the assistance rendered by the Americans, deep as is the debt the Allies owe them, the President has obviously a most delicate and difficult task ahead when, if convinced of the sincerity of the Germans, he calls Allied statesmen into conference on the subject of opening peace negotiations with the enemy. He has shown wonderful statesmanship ever since the war began, first as leader of the neutrals and then as head of a belligerent nation fighting the Central Powers side by side with the Entente, and his sapient wisdom and ability to handle intricate international problems are not likely to forsake him in the present hour of supreme need.

In writing the present number of STEAD's—as indeed in writing many an issue before—I have been in a position of great difficulty. The cover is designed a month before the date of publication. It is printed a week before I write the "Progress." The last half of the magazine goes to press several days before the first portion, and the "Progress "has to be finished just a week before the date on which the magazine is published. Sometimes it is possible to write so that one's comments are not old a week later, and I have been unusually fortunate in this respect. But on an occasion like this when the most momentous events are happening daily, it is impossible to hope to present my readers with comments on the changing situation which are wholly up to date.

Events have, I think, justified me in putting "Peace in Sight" on the cover over a week ago, and I venture to hope that my examination of the enemy attitude towards the fourteen articles, as expressed in official utterances and statements by their leaders, set out in the following pages, will be useful and of interest. These fourteen articles, the five fundamentals in the President's speech of September 27th, given in our last number, and his four basic principles mentioned in his speech of February 11th, given in this issue, ought to be familiar to everyone who would intelligently follow events during the next few weeks.



Peace Within Sight. OCTOBER 12, 1918.

A fortnight ago I wrote just when the Bulgarians had proposed an armistice, and was obliged to go to press before it was known whether Bulgaria was going to drop out or not. Assuming, however, that she would do so, I ventured to forecast what would probably happen, suggesting the certainty of early peace proposals by Turkey, and indicating that as the burden of defending the enemy position in the Balkans would necessarily be thrown on Austria the statesmen of Vienna and Buda Pesth would inevitably have great influence in Berlin. In other words, if Austria held, and remained determined, even though Bulgaria and Turkey made peace, we would not be much nearer decisive victory than we were before. On the other hand, if Austria, owing to internal dissensions, due to the defeat in the Balkans, which might be expected to raise the hopes of the subject peoples, crumbled and sued for peace, then Germany would be compelled to do likewise. At the same time as the news of the Bulgarian overtures for an armistice reached Australia came the report of President Wilson's immensely important speech, in which he set out the five fundamentals on which peace must rest. As suggested in our last number this speech undoubtedly brought peace nearer, and during the two weeks that have passed ample evidence has been given of the correctness of that view. Peace was brought nearer by the collapse of Bulgaria and the declaration of the American President. It is brought within sight by the statesmanlike manner in which Mr. Wilson has dealt with the enemy notes. It is a very dangerous thing to prophesy what is going to happen when changes are so kaleidoscopic and occur from day to day. What is news as I write will perchance be forgotten ere what is written appears. To try and comment on events is necessarily an exceedingly difficult task. However, my summing up of the situation is that there will be no serious fighting in 1919. I would not be surprised if peace negotiations were well under weigh by Christmas.

The Bulgarian Submission

Before discussing the position created by the President's reply to the Austro-German suggestions, it is well to rapidly trace the events which immediately followed the first Bulgar move chronicled in our last number. Within a couple of days peace was made between Bulgaria and the Allies, the surrender of the Balkan State

being complete. The principal thing in sisted on by General d'Esperey was that Allied troops should be accorded free passage over Bulgarian railways and roads. The other conditions were of minor importance by comparison. The demobilisation of the Bulgarian armies, the surrender of those of their forces still in Serbia were demanded and agreed to. The peace was a military one only, all other matters were left for settlement at the general Peace Conference. As pointed out a fortnight ago in these pages, Bulgaria is not likely to suffer greatly territorially, and reviewing the circumstances which led to her surrender, we may take it for granted that the Bulgars will come out of the war pretty well. It was worth a good deal to the Allies to have her drop out. and, in the final settlement, we will no doubt have evidence of this. The Allied leaders showed a true appreciation of the conditions which obtain in the Balkans when they arranged that no Serbian or Greek troops were to enter Bulgaria, only French, British and Italians crossing the frontier. It appears that ever since the fall of the pro-German Prime Minister Radaslovoff, and the appointment of the anti-German Malinoff as his successor, the Bulgarian Government sought peace. Had he not known this General d'Esperey would hardly have ventured to thrust a large force straight up towards Veles in the manner he did. Had there been anticipation of the Bulgars making a stand there would have been careful protection of the flanks of the advancing Serbs. As it was, they rushed northwards in a long narrow wedge which, with an Austrian army in Albania, was inviting a disaster. It would certainly seem as if the Bul garian Government were only awaiting a decent sort of excuse to make an unconditional surrender, and General d'Esperey obligingly supplied it. The old fox of the Balkans, Tsar Ferdinand, promptly abdicated, and was succeeded on the throne by his son Boris, a youth of fourteen, who obviously cannot play the leading role his father did in the country, but will be completely dominated by the head of the Government, which is responsible to the Sobranje, or Parliament. In Bulgaria there are not two Houses, only one, but certain important matters are left to the decision of a Grand Sobranie, consisting of twice the number of members as the ordinary Assembly and elected specially for purpose.

Everything Depends on Austria.

So after six years' constant warfare Bulgaria is at peace. But fighting is almost certain to take place within her borders in the near future. Naturally, the Central Powers are making haste to shut the cloor, which has suddenly given way on their southern border, and already the impetuous Serbs marching triumphantly on Nish have encountered strong resistance, their adversaries being Austrians and Germans. The immense importance. from the German viewpoint, of keeping Austria from collapsing is shown by the presence of German troops in the Balkans. Foch's great offensives in the West demand the concentration of all the available German forces there, but grave as is the danger threatening them in France, the Germans have managed to send help to the Austrians in the Balkans. General d'Esperey could not at once deliver a great blow against an enemy force in Northern Serbia or Bulgaria. Before he would be ready to do that he would have to organise transport, build roads and mass equipment. He has a large army apparently, but not one big enough to force a way across the Danube into Hungary, if the Austrians put up a sturdy resistance. There seems to be an impression abroad that all the Salonikan army has to do is to march north through Serbia to the Danube to bring Austria to her knees. If Austria in the end determines to fight there would inevitably be a long struggle in northern Serbia, in which the advantages of easy communications and interior lines would be all with the enemy. From a purely military point of view, the situation of the Central Powers in the Balkans is by no means desperate. Fortunately, however, the danger threatening their West front must prevent the Germans sending important help to the Austrians, and the successes of the Serbs must stir up trouble amongst the Slavs of the Austrian Empire, crippling military operations in the Bal-

The Vicar of Bray of the Balkans.

There are rumours to-day that the Bulgarian armies are marching against Constantinople, their co-operation against Tunkey being it is said, one of the Allies' conditions. Such action hardly agrees with the demand for the immediate demobilisation of the Bulgarian field armies and the surrender of their troops in Serbia—known to be Allied conditions. It is indeed highly unlikely that the Allies will attempt to use the Bulgarian armies against Turkey and Austria, for, whilst the Bulgars as a whole may acquiesce in a surrender which brings them rest from warring, they would hardly agree to turn their coats so completely as ranging themselves actively on the Allied side would entail. Civil war would almost certainly follow. At the same time we must recognise that there is undoubtedly a strong party in Bulgaria which would go to any lengths to get back Adrianople, and the territory granted to their country at the abortive treaty of London in 1913. It may be that they are persuaded that by assisting General d'Esperey they can obtain Adrianople, and most of Thrace as a reward, and are prepared to do much to secure this rich territory. It is extremely doubtful, though, if they could induce their war-weary people to back them up. If a few regiments of regulars would suffice to win them this rich prize they would almost certainly be lent to the Allied leader. It is said that one of the main reasons why Bulgaria came to terms with the Allies was owing to difference with Turkey and the Central Powers concerning the concessions the Turks were to make in Thrace. If active participation in the struggle on the Allied side this time would end in the eviction of the Turks from Europe, and the handing over of most of their territory there to the Bulgars, the Sofian Government is likely to make considerable effort to induce its people to concur in such participation. It is unlikely on the whole, though, that the Allies would agree to reward Bulgaria in this way, and without hope of substantial gains the Bulgars would hardly give assistance. If they do we would have the extraordinary speciacle of the Bulgarians lighting for the third time in six years against quondam allies. In 1010 they poined with Serbia and Greece in a determined effort to drive the Turk from Macedonia. Falling out over the spoils, the Serbs and Greeks attacked the Bulgars, who were also threatened from behind by the Roumanians. During the fighting the Turks stepped in and seized Adrianople, possession of which had been guaranteed to Bulgaria by the Great Powers in solemn conclave in London. In 1915 allied with Turkey, the Bulgars attacked Serbia, and then Roumania, being, however, on friendly terms with the Grecian Government. Now, if we may believe the rumours, the Bulgars are to fight against the Turks, allied with the Serbs and the Roumanians. It is indeed difficult to understand Balkan politics. No wonder the most amazing blunders have been committed there by outside diplomats.

The Old Guard Return to Power in Turkey.

The immediate appeal for peace expected from Turkey did not materialise owing to the strong pro-German leaning of the Young Turks, who formed the Government. Only when they had been replaced by representatives of the Old Turkish Party did the anticipated peace talk begin. Enver Pasha seems to have wished to send troops to Bulgaria to assist the Austro-Germans in maintaining communication between Berlin and Constantinople by rail, but he found it impossible to carry through his plans, and the Turkish Government, of which he was a leading member, fell. The new Covernment is composed of men of the old school, who for years kept alive the Sick Man of Europe, and maintained Turkish territory intact by the astutest of diplomacy, which was based mainly on the playing of one Great Power off against another. In those days it was the policy of Britain to support Turkey as against Russia, but with the coming of Germany and the deposition of the Sultan, the scene daanged. The older Turkish statesmen were thrown overboard and the Young Turkish Party took control. Its leading members had been educated in Germany. and were pronouncedly Pro-German. Now they in turn are overthrown and our old friends are in power. They will no doubt attempt to play the old game, but they have a united instead of a disunited and mutually jealous group of Powers to deal with, and will find it impossible to make peace without heavy sacrifices. Here, again, though, as in the case of Bulgaria, it is well worth the Allies' while to get Turkey to drop out, but whilst Bulgaria had nothing much to lose Turkey may forfeit some of her fairest provinces. Her entire banishment from Europe is, however, unlikely. Under the arrangement made between Britain, France and Russia, the latter was to have obtained possession of the Dardanelles and Thrace. Russia now desires no alien territory, and it is unlikely that the Allies would annex the Straits and Thrace, They would hardly give the latter to Bulgaria, the only country contiguous to it. What they will probably demand is real control of the

Dardanelles. Constantinople and Turkeyin-Europe, which will remain under the nominal suserainty of the Sultan. Ere these lines appear peace with Turkey may have been concluded, though the details of the territorial readjustments will be left for the general peace conference to settle.

The Statesmanlike President.

The Austrian peace note of September was, as chronicled in our last number, met by President Wilson's absolute refusal to discuss terms until his fourteen articles had been accepted. Had nothing happened in the Balkans we might have expected a further note from Austria on the subject, yet the collapse of Bulgaria is everywhere taken to have been the sole reason for the despatch of a further peace note to the President by the Austrian Government. It probably hurried the sending of this note, and was the cause of the request for an armistice, but the agreement to discuss peace on the basis of the fourteen articles would have followed the receipt of the President's reply in any case. However that does not matter much one way or the other. It was certainly the submission of Bulgaria to the Allies, with the possibilities this raised of Turkish withdrawal and Austrian collapse that caused the change of Government in Germany, and the despatch of a peace note to America. The reception of the German note by the American and Allied press was exceedingly hostile, and there was a general demand everywhere that it should be answered by a flat refusal to discuss any terms of peace whatever. A desire to get some of our own back, to destroy German towns as the Germans had destroyed those of France and Belgium, to demonstrate in this way the strength of our armies, and the determination of our peoples to uphold the rights of the little nations was everywhere shown. The first reports that came through concerning the President's answer were hailed as endorsing this attitude, and it speaks eloquently of the statesmanlike manner in which Mr. Wilson handled the matter, and the confidence everyone now has in him, that, despite the fact that he the press of the world immediately fell into line behind him and said this was the right and proper way in which to answer the German note! This answer of his does not forbid a further exchange of notes-it, in fact, demands a reply from the enemy Governments.

Genuine Reform-or Camouflage?

Before the German peace note was desnatched to President Wilson, there was a complete resbuffle of the Government at Berlin. Von Hertling resigned, and was succeeded by Prince Max of Baden, who proceeded to choose his colleagues from amongst members of the Reichstag, not from amongst members of the Lantag and leading men of the Empire, as heretofor, The general comment on the new Government made in our press and by our public men is that it is merely a species of camouflage designed to deceive the President of the United States. Mr. Wilson is, however, not easily deceived, and is taking prompt steps to learn whether the new Government is really representative of the Reichstag or not. The whole question of future peace negotiations depends upon this question. That being so, it is well to try and learn what actually transpired when Prince Max took the reins. The new Chancellor refused to accept office unless the policy he proposed was accepted by a majority of the Reichstag. Hitherto, the Reichstag has not been consulted as to the policy the Imperial Chancellor is to pursue. In view of the stand taken by Prince Max we must assume that his acts meet the wishes of the major portion of the members of the Reichstag, who, let us not forget, were elected by direct suffrage by the whole people of Germany. who enjoyed a more liberal franchise at the time than did the electors of Great Britain, who sent back the present members to the House of Commons. members of the Reichstag actually represent the German people to an even greater extent than do the Members of the Commons represent the people of the United Kingdom. In neither country has there been an election since the outbreak of war, in neither, therefore, has there been a direct appeal to the people on the matter.

The German People Would Keep Conces-

Anyhow. Prince Max has behind him a majority of the representatives of the people of Germany as well as the official approval of the Kaiser and the military leaders. Erzberger, leader of the powerful Catholic party, Scheidemann, leader of the Social Democrats, and other prominent members of the Reichstag, appear to be included in the new Government. Unfortunately, though this is a matter of the very highest importance, particulars of its

personnel have not been cabled to Australia. It seems clear, though, that the Chancellor formed his Government in direct co-operation with the Reichstag, that is to say, in consultation with the leaders-as is the custom in England. In his first speech Prince Max declared that he was convinced that after the war no Government could again be formed in Germany without the support of the Reichstag, and without Ministers drawn from it. It is certainly unlikely if once the people of Germany are given a direct say in the selection of the Government, through their representatives, they will ever relinquish that privilege. A great section of them had been steadfastly fighting for this reform long before the war began, and their power was steadily increasing. Now that they have won the concession, no matter under what circumstances, they will certainly stick to it. If the cables from neutral countries are truthful accounts of what has taken place, the new Government, with Max of Baden at its head, may be regarded as a democratic one. If on the other hand these cables are carefully inspired by the German military leaders, with intent to deceive, there will be no more peace negotiations once the trick has been exposed.

The German Peace Note,

The text of the German note was as follows:—

The German Covernment requests the President of the United States of America to take steps for the re-toration of peace, to notify all belligerents of this request, and to invite them to delegate plenipotentiaries for the purpose of taking up negotiations. The German Government accepts as a basis of the peace negot ations, the programme laid down by the President of the United States in his message to the propose of the pr

At the same time as the note was despatched, it was announced in Germany that Prince Max had agreed on the following matters, which had the approval of a majority of the Reichstag:

The complete restoration and independence of Belgium. Alsace-Lorraine to be an independent State, with complete autonomy in conformity with the wishes of elected Alsatian representatives. Existing treaties not to be an obstacle to peace in the case

of the Baltic Provinces, Poland and Lithuania where legislatures should be introduced as soon as possible by the countries themselves. The immediate grant of universal suffrage in Prussia and other States similar to that enjoyed throughout the whole of Germany for the Federal elections. The suppression of all military institutions exercising political power. The unification of the Imper al Government by the appointment of Ministers from elected representatives, i.e., from members of the Reichstag.

Other reports stated that in his speech Prince Max suggested the creation of a federal Austria, expressed the willingness of Germany to enter a League of Nations, approved disarmament on land and sea, and the freedom of the seas, and demanded the return of the colonies. He ended by asking the Allies to state their terms. He declared that he did not speak in his own name, but in that of the whole German people, and asserted that the Kaiser's letter of September 30th opened a new epoch in the internal history of Germany. Vitally important as this letter obviously is, we have no definite particulars about it.

The Door Not Yet Closed.

The first reports telling of the President's answer declared that he had absolutely refused to open peace negotiations until Belgium and France had been entirely evacuated, and general satisfaction was expressed that he had taken this line. Even when the full text of his reply was published people read into it a complete refusal to talk peace until the German armies were again behind their own frontiers. What the President did say was that he would consider no armistice until the invaded territories had been evacuated. As the German note, as well as the Austrian, accepted his declarations of the American war aims as a basis of discussion, as both expressed approval of his fundamentals on which peace was to be built, it was clearly impossible for him to reply with a brusque refusal to consider any peace suggestion at all. To a solution of the problem he brought a ripe statesmanship which showed him how to keep absolute faith with his previous utterances, and vet avoid any possible enemy trap. He did not do what Allied papers had urged he should do; vet, in spite of that, his reply has been everywhere acclaimed by them as the best possible answer that could have been sent. M. Clemenceau was the only Allied leader who commented on the peace note before the President replied.



. Map of Burope, roughly following the lines laid

That in itself is significant. The French Premier was quick to see the difficulty of the position, and he declared that Prince Max could not possibly expect Americans to regard his Government as meeting the conditions demanded by President Wilson—namely, that he will deal only with a Government subject to Parliamentary control. Obviously everything turned on this particular point, and Mr. Wilson's reply continued this.

The Vital Point.

Writing on his behalf, Mr. Lansing, Secretary of State, said: "The President feels that he is justified in asking whether the Imperial Chancellor is speaking merely for the constituted authorities of the Empire who have so far conducted the war?" He also asked whether the German Government accepted the terms laid down by the President in his address to Congress on Lanuary 8th last, and whether its object in entering into discussions would be only to agree upon the practical details of their application. The answer to these questions, went on the reply, were deemed by the President to be vital from every point of view. The Secretary of State also set out that the President would not feel at liberty to propose a cessation of arms as long as the armies of the Central Powers are on the territories of the Allies. Ere these lines appear the reply of the Chancellor should have been sent. Presumably the President's answer will be discussed in the Reichstag, and Prince Max will pass on whatever message it decides to the President. Such a reply would, at any rate, give proof that the people's representatives themselves were controlling negotiations which, in accordance with the first of the President's conditions, were being carried on publicly. In view of the manner in which it is elected, no one can question that the Reichstag properly represents the German people, The point to be cleared up, the point absolutely vital if peace negotiations are to be carried on, is how far the Reichstag will, in future, control the Government which hitherto has been responsible to the Kaiser, not to the representatives of the people. If Prince Max, in his reply, can convince the President that this democratisation of the Government had actually taken place, and was to be permanent, then the main obstacle to the carrying on of negotiations would be removed. The most convincing reply of course would be the abdication of the Kaiser. The President, however, would have to be assured that his fourteen articles were accepted not as a basis for discussion, but in toto. That being so, these articles, as I mentioned in our last issue, are of the first importance, for they represent the Allied war aims, and although I have twice published them in these pages. I do so again with comments as to how far the enemy have already gone in official statements towards agreeing to them.

Clauses on Which There is Agreement.

By eliminating those clauses on which there is agreement, we learn definitely what we are fighting for.

(1) Covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind, but diplomacy shall proceed always frankly and in the public view.

in the public view.

(2) Absolute freedom of navigation upon
the seas outside territorial waters, alike in
peace and in war, except as the seas may
be closed in whole or in part by international action for the enforcement of international covenants.

(3) The removal, so far as possible, of all economic barriers, and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.

(4) Adequate guarantees, given and taken, that national armaments will be reduced to the lowest point consistent with domestic safety.

(14) A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small States alike.

The Americans and Germans are in practical accord so far as 1, 2, 3, 4 and 14 are concerned, and there is partial agreement on 5, 7, 8 and 9. There is acute disagreement on 6, 10, 11, 12 and 13.

The Colonies, Belgium and Alsace-Lorraine.

(5) A free, open-minded and absolutely impartial adjustment of all colonial claims, based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the Government whose title is to be determined.

With regard to 5, Germany is apparently willing to agree to an impartial adjustment of all colonial claims, providing the colonies of Great Britain, France and Itely are also adjudicated on.

(7) Belgium, the whole world will agree, must be evacuated and restored without any attempt to limit the sovereignty which she enjoys in common with all other free nations. 8) All French territory should be freed, and the invaded portions restored, and the wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine, which has unsettled the peace of the world for nearly 50 years, should be righted, in order that peace may once more be made secure in the interest of all.

Concerning (7) Count von Hertling, the then German Chancellor, asserted that " Forcible annexation forms no part of the official German policy." He said the same about the occupied parts of France, but refused absolutely to agree to any dismem-President berment of German territory. Wilson does not state definitely how "the wrong done to France by Prussia in 1871" is to be righted. If the principle of self determination, which has been adopted by the Allies, were carried out, the solution would be a referendum, to which the Germans would conceivably agree, knowing that they have a majority in Alsace-Lorraine. For that very reason France would be unwilling to permit the people dwelling there to determine their own future.

If we are to put any faith in the reports as to what Prince Max said in the Reichstag, we must assume that the Germans are in favour of creating an independent State of Alsace Lorraine, the method of government to be decided by the elected representatives of these provinces. In view of the complication of the question, the fact that the provinces have been ruled over at different times by the Germans and the French, and the fact that immensely wealthy iron mines are situated in Lorraine, it has always seemed probable that the solution of the question would be the creation of an independent State, whose position and neutrality would be guaranteed by the League of Nations.

Italy and Austria.

(9) A readjustment of the frontiers of Italy should be effected along clearly recognisable lines of nationality.

Austria is most concerned in this, and has announced that frontier rectifications on the basis of her pre-war offer to Italy are still possible. The main difference between the Italian demands and the Austrian proposals was that our allies claimed Trieste and the whole of the Adriatic shore of the Austrian Empire, thus isolating Austria entirely from the sea. The Austrians effered to create Trieste into a free port, which could be used equally by Austria and Italy, but refused altogether to part with their territory on the Adriatic. In view of the fact that the loss of Trieste

would deprive Austria of the only port she has, it is by no means improbable that its internationalisation is a possible way out. With regard to the Adriatic shore, at the recent conferences with the Jugo-Slavs it is understood that Italy gave up her claims and approved the idea of a Jugo-Slav State, which would control this territory. It certainly would seem possible to arrive at some mutually satisfactory solution on this question.

(10) The peoples of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the freest opportunity of autonomous development.

There seems to be some effort being made by Emperor Charles to solve the Slav question within his own borders. If he succeeds, then agreement on (10) will be reached. As I have often pointed out, the solution of the Irish question is simplicity itself compared to the solution of the Bohemian problem, and even if the Allies had an absolutely free hand to remodel the Austrian Empire as they would, it is doubtful if they would be any more successful with the half-dozen frelands there than Great Britain has been in her efforts to settle the matter of Home Rule for the Emerald Isle.

A Possible Solution of Ethnological Difficulties.

The more one studies the ethnological map of Europe the more convinced one becomes that the best solution for the "fringe peoples," that is to say, for those nationals who have straved away from their original homes, is to give them ample compensation and deport them to where they properly belong. The Turk was slowly settling the Macedonian question by killing out the heterogeneous mixture of nationalities he found there, and Serbs, Bulgars and Greeks were hard at work doing the same or forcing alien nationalities to qu't the place after they had divided it amongst them. The Roumanian demand for Transylvania and the Banat, agreement to which was made a condition of Roumanian entry into the war, arises from the fact that at different times Roumanian families migrated from Wallachia and Moldavia and settled in Hungary. The desire to throw her mantle over these scattered communities-intermixed with Germans, Magvars and Slavs-has cost Roumania hundreds of millions of pounds and tens of thousands of lives. It has cost the Hungarians corresponding millions.

In Transvlvania proper there are at the outside 1,500,000 Roumanians. Hungary would be well advised if she offered the head of each family £,1000 to depart and take up land in fertile and sparsely populated Bessarabia. Such a sum would be fabulous wealth to the majority, but Hungary would be rid of the Roumanian problem cheaply. The alternative solution would be for the Roumanian Government to offer to buy out the million Magyars and Germans in Transvlvania, but, after all, that country has belonged to Hungary for centuries, and was never part of Roumania. Such a common-sense solution of national difficulties would, of course, never be adopted, and immediate complications would arise when Roumanians desired to emigrate to Hungary and be naturalised there. Such subjects could only make trouble later on, it may be a century hence, vet did Great Britain herself not go to war with the Boer Republic because President Kruger refused to give naturalisation papers to Uitlanders more speedily? This however, is a digression, due to an attempt to show the immense difficulties lying in the way of a satisfactory realisation of the hope expressed in (10).

It may be that the Austro-Hungarians will create a Czecho-Slav State in the north, and a Jugo-Slav state in the south, but the attempt will probably fail owing to the fact that Hungary would be deprived of her outlet to the sea, and also because the Slavs would secure a dominant voice in Imperial affairs. If the attempt were successful Serbia's dream of a Jugo-Slav empire, of which she would be the head, would disappear, yet one of the main objects for which we are continuing fighting would have been won! A seeming contradiction which again serves to illustrate the complexity of the problem we are up against.

In the Pandora Box,

11) Roumania, Serbia, and Montenegro should be evacuated; Serbia accorded free and secure access to the sea, and the relations of the several Balkan States to one another be determined by friendly counsel along historically established lines of allegiance and nationality; and international guarantees of the political and economic dependence and territorial integrity of the several Balkan States should be entered into.

In Berlin, in 1878, and times without number since, the Great Powers have tried to settle the Balkan question, but the European Pandora Box has re mained unquiet, and in the end fired the magazine which blew up the peace of the world. The trouble, of course, is that the "historically established lines" cross everywhere, and nationalities in the portions in dispute are thoroughly intermixed. only way to settle the difficult problem is to give each state proper access to the sea, define suitable geographical boundaries, and then deport all nationals found in alien territory to their own country. Here again there is trouble, as many of the Macedonians do not know whether they are Serbs or Bulgars. They would have to make up their minds, however. Albania would have to be perpetuated as a state, as Albanians, a distinct race, suffer badly when under the rule of Serb, Bulgar or Greek. One of the principal stumbling blocks in the way of Balkan settlement has been the rivalry between Austria and Russia. Now that Russia has definitely abandoned her claim on Constantinople and has given up the desire to extend her boundaries at the expense of anyone else, solution should prove less difficult.

The collapse of the Bulgarians, who have agreed to abide by whatever arrangement the Allies propose, should make the solution of the Balkan question a great deal easier. The main difficulty will be in connection with what may be called the Upper Balkans — Bosnia, Herzegovina, Montenegro and Roumania.

Poland Still a Major Difference.

(13) An independent Polish State should be formed, which should include the territories inhabited by indisputably Polish populations which should be assured a free and secure access to the sea, and whose political and economic independence and territorial integrity should be guaranteed by international covenant.

The Austro-Germans take up the position that Poland was liberated by them from Tsarist regime, and that they are entitled to decide Poland's future constitution. This they are doing in agreement with part, at any rate, of the Polish population Says von Hertling: "The Enterthe had only empty words for Poland, and before the war never interceded for her with Russia." The Austrians, it is understood, are adding parts of Golicia to the new state, and Germany, although not relinquishing any of her own territory, is granting the free use of the port of Danzig to the Poles.

Some sort of a State has evidently been set up by the Austro-Germans. Prince Max in his reported speech proposed that the Poles should be left entirely free to set up whatever system of government they preferred, but presumably he only referred to Russian Poland, did not propose to cede Prussian territory in order to establish a greater Poland once more.

An Attempted German Solution.

President Wilson insists that the new Poland must include all territories inhabited by an indisputably Polish population, but to secure that will obviously be vry difficult. Take the case of Cholm, for instance. The Ukrainians claim the district on ethnological grounds, but the Poles are furious, declaring that Cholm belongs to Poland by every right of equity, former possession and nationality. Yet as a matter of fact, though part of Russian Poland, and formerly part of the King dom of Poland, Cholm is actually peopled by Ruthenians, or Little Russians.

In Prussian Posen dwell many Poles, half the population, in fact, but the ober half is German, and the two are hopelessly intermingled. It would be difficult to draw a satisfactory frontier line. The Germans made a determined attempt to solve the Polish question some years ago by buying out the Polish landowners, devoting no less a sum than £,10,000,000 to the purpose. Had there been a Polish State across the border, success might have followed these efforts, but instead of a self-governing state there was a Russian Poland where oppression was infinitely greater. The result was that, despite the German attempts to induce the Poles to go away and live somewhere else, the Polish population of Germany increased instead of diminished, owing to the immigration of Poles from Russia, who preferred Prussian to Russian rule. If a free state of Poland, consisting of half Galicia and most of Russian Poland, be set up, the Germans would no doubt be able to induce their unwelcome Polish subjects to sell their land in Posen and take up land across the border sequestered from Russian nobles.

The Russian Border States and Turkey,

(6) The evacuation of all Russian territory, and such a settlement of all questions affecting Russia as will secure the best and freest co-operation of the other nations of the world in obtaining for her an unhampered and an unembarrassing opportunity for the independent determination of her own political development and national policy, and assure her of a sincere welcome into the society of free nations under institute of the control of the contro

tutions of her own choosing; and, not than a welcome, assistance also of ears kind that she may need and may be addedire. The treatment accorded Russia by her sister nations in the months to confe will be the acid test of their goodwill, of their comprehension of her needs as distinguished from their own interests, and of their intelligent and unselfish sympathy.

Over this clause there was strong disagreement, as the Austro-Germans formerly asserted that they would have no interference in the matter, the Allied Governments having refused to take part in the peace conference between Russia, Ukrainia and the Central Powers. Now, however, the German Government appears to be committed to the policy of allowing the Baltie provinces and Lithuania to determine their own system of government. That is pretty much in accordance with our demands that subject races shall be given a chance of self-determination.

President Wilson rather suggests the reestablishment of Russian rule over the border states. Finland, Esthonia. Courland, Lithuania and Ukrainia. That, these new states will never agree to. I need not recapitulate the arguments I have used at different times to demonstrate that any attempt to rearrange the boundaries of these new states or to alter their system of government, will involve the Allies in grave complications. The main thing the Germans have to rely on is that none of these new states will be able to stand alone. They must lean on someone, and if Russia, later on, aspires to rule over them once more, they will one and all look to the Central Empires for support. That is the chief difficulty the Allies have to encounter in any attempted rearrangements of the border states.

(12) The Turkish portion of the present Ottoman Empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life, and an absolutely unmolested opportunity of autonomous developments, and the Dardanelles should be permanently opened as a fiee passage to the ships and commerce of all natious under international guarantees.

Von Hertling, when discussing the fourteen articles, stated that this was a matter which concerned Turkey, and that Germany would accord the Turks every support in the matter. If, however, Turkey makes a separate peace, as now seems probable, agreement on Article 12 should be reached, for, as the Chancellor said, it concerns Turkey, not Germany.

The Main Points of Difference.

Before the speech of Prince Max in the Reichstag a study of the fourteen articles disclosed the fact that the Allies were fighting to get Alsace-Lorraine back for France, to obtain the Trentino and Trieste for Italy, to secure a port for Serbia, to give autonomy to the Czechs and Slovaks and Slovenes and Serbians and Croatians within the Austrian Empire, to give Transvlvania to Roumania, to create a greater Poland, which shall include Prussian, Austrian and Russian Poland, and shall have an outlet to the sea, to secure for Russia an opportunity for the independent determination of her own political development and national policy, to secure that all nationalities now under Turkish rule should have unmolested opportunity of autonomous development.

Now, however, it would seem that some of these objects have already been obtained, or are on the eve of being secured. Peace with Turkey would not be made without giving all nationalities now under Turkish rule an unmolested opportunity of autonomous development. The peace made with Bulgaria simplifies the matter of Serbia obtaining an outlet to the sea on the Adriatic, especially as the Italians cor-dially approve. If Emperor Charles is able to complete the reported arrangements for the setting up of Slav states within his Empire, the autonomy of most of the subject races of Austria would be attained. The solution of the Alsace Lorraine question now proposed by Germany is not at variance with our so often expressed war aim, the securing to subject races of the right to determine their own future. It would seem, therefore, that if peace negotiations fail, and fighting goes on, the main objects in view are the obtaining of Northern Trentino and Trieste for Italy, and the setting up of a Greater Poland, which will include Prussia and Austrian territory as well as Rus-

The other things for which America entered the war, and for which we, too, are lighting, can apparently be secured now, namely, abolition of secret diplomacy; absolute freedom of the seas in peace as in war; the removal of all economic barriers to trade and commerce; the reduction of armaments; the evacuation of Belgium and Northern France and the formation of a League of Nations.

To Make the World Safe for Democracy.

But whilst we may discuss the details of war aims we must not forget that America has introduced an entirely new element int > the struggle. She stands for trusteeship. not for possession, and is determined that no power in future shall seize territory with the object of exploiting it for that Power's benefit. Such territory henceforth is tobe developed for the good of the world as a whole, not for the aggrandisement of any one nation. The United States is fighting with the Allies to make the world safe for democracy that is, the broad principlebut it is extremely necessary for us to know what are the means in the shape of peace terms by which this safety is to be secured, That is one reason why we welcome the

definite statement of President Wilson.

Another reason why it is well to have the

Allied war aims set out in such precise

manner is because, on looking over the

speeches and statements of Allied statesmen, such wide divergence of opinion is shown, and it is difficult to know what is merely the individual's view, and what represents the mind of the Government. Curiously enough, President Wilson, speaking just a month before he announced the American war aims, said: "We do not wish in any way to impair or to rearrange the Austrian Empire"; whilst dozens of British Statesmen have solemnly declared: "We desire neither territory nor indemnites, imperialistic conquest, nor aggrandisement." President Wilson's announcement was needed, too, to dispel the uncomfortable feeling created by the publication of the secret treaties, which certainly suggested that all the Allied Powers hoped to benefit territorially by the defeat of Germany. The American declaration has cleared all that away, and, by agreeing to abide by her war aims, the Allies demonstrate their equal disinterestedness, show that all they fight for is the emancipation of the smaller states, the making of the world safe for democracy.

A Debacle or a Retirement?

Military events have been greatly overshadowed by peace manneutrers, but whilst Berlin, Vienna and Constantinuple are feverishly attempting to open negotiations the Allied armies in the field are rapidly advancing towards the Rhine. We hear every day of great victories won, of towns captured, and of strong positions taken, whilst cables unite in asserting that

the German position in France is becoming daily more and more precarious. As I pointed out in our last issue, the Allied success west of Cambrai, which gave us Bourlon Wood, made it quite certain that Cambrai would be abandoned, and the loss of that place had as its almost inevitable corollary the early abandonment of St. Quentin and Douai, The loss of Douai would probably involve that of Lille and necessitate a general withdrawal in Flanders. I also suggested that of all the offensives that which most vitally threatened the enemy was being made by the Americans from Verdun, and that Ludendorff would be forced to stop American advance at all costs, even if he gave back elsewhere. A careful perusal of the cables shows that our troops are engaged for the most part with machine-gun groups left as rear guards. Also, although a couple of weeks ago tens of thousands were reported captured, the cables during the last few weeks refer usually to hundreds, mention of thousands a day being rare. From this we must conclude that what we are witnessing is still an orderly retreat, it has not degenerated into a rout, The natural inference is that the enemy are systematically withdrawing to some new prepared front. Possibly they are being forced to retreat more rapidly than they had anticipated, but that they are falling back in a systematic manner seems certain.

Where Will the Enemy Stand?

We are encouraged to hope that owing to the rapid British advance east of Cambrai and the Franco-American successes in Champagne, the enemy forces in the Laon sector are likely to be captured. The Allies do indeed seem to have a chance of making a notable coup here, but in view of the lack of any formidable enemy resistance to the British troops who have now reached le Cateau one is forced to doubt whether the Germans will be trapped in the manner anticipated. there were evidence of panic and rout, then we might expect German High Command to find it impossible to extricate its forces; but none of the cables points to military confusion and collapse, and therefore we take it that the Germans will get their army safely away from Laon. they fail to do so it will add yet another to the many brilliant achievements of Foch. It is obvious that the Germans are retiring on some prepared line. The question is where is that situated? How far back are the enemy going before they again stand and face our armies? The probabilities are that this line will be planned to keep Foch's forces from reaching Belgium, although the abandonment of the Belgian ports seems likely. In view of the advanced season the Germans probably reckon that when they do reach their new defensive positions they will be able to hold them at any rate until next year, that they will have the winter in which to strengthen them and prepare, if need be, for further retirements and the taking up of other fronts. The impression is abroad that, if the enemy abandon Ostend and Zeebrugge, there would be an immediate cessation of submarine activity. That would hardly be the case, though, for most of the ships which fall victims to the U-boats do so about Ireland or in the Atlantic itself. The submarines which are responsible are based not on Zeebrugge, but on Emden or Heligoland. or the Kiel Canal. They are ocean-going vessels, whereas those using the Belgian ports were smaller craft which carried out swift raids into the Channel, and which were being steadily defeated by the naval preventive measures.

An Eye for an Eye.

A few days ago a great deal was said in the cables about the burning of towns and villages behind the enemy lines, and we had the spectacle of the German Mr. Hyde urging peace in Berlin whilst the Teutonic Dr. Jekyll worked his barbarous will in France. From a diplomatic point of view this destruction of villages at the very time Germany was asking for peace was a ghastly and idiotic blunder. Whatever military advantage might be gained was little worth compared to the damage done to the German cause throughout the world. There is a natural demand that the Allies should exact an eye for an eve and a tooth for a tooth. General Pau. our distinguished guest, says, however:-" Justice must be enforced, not vengeance. Vengeance could not be a of good in the future. They must see that the culpable ones were punished, but no more. They would not impose upon the enemy the same wilful horrors the enemy had imposed; they would not burn their cities, kill their wives or children, or rob them. What had been destroyed must be restored. Indemnities must be given for damage done." These are the views of one who has borne the heat and burden of the day.

The New Crusaders Reach Damascus.

The brilliant victory gained by General Allenby over the Turks in Palestine forced the collapse of the entire Ottoman Army in Syria. The remnant who escaped our surrounding forces west of the Jordan fled northwards, closely followed by our mounted troops, who did not stop their pursuit until they rode into the ancient and important city of Damascus. Here they met their Arab Allies, who, according to reports, were received with immense enthusiasm by the populace. The total population of the city is estimated at 200,000, of whom perhaps 50,000 are Christians and Jews. The Jewish colony is very wealthy, and its members have the trade of the place more or less in their hands. They have probably been having a pretty bad time during the British advance from Egypt. Having secured this historic city, Allenby's forces proceeded to clear the enemy out of the country west of the place, and soon reached Beyrout, on the sea coast. There they met detachments of French sailors, landed from battleships, which have, during the whole campaign, rendered great assistance to the land forces. Bevrout has always been regarded as more or less under French protection. It has been developed by French companies who are responsible for the construction of the harbour and of the railway to Damascus. The French also built the railway to Aleppo, and constructed the narrowgauge line which runs along the coast to Tripoli. In any partition of the Turkish Empire it is certain that Lebanon and all this portion of Syria would fall to the French, who would either acquire it entirely, or be responsible for the autonomous government thereof. The Allied troops are now within 160 miles of Aleppo. In view of the collapse of Turkish resistance it seems probable that the railway will not have been destroyed, so that the speedy arrival of a force at Aleppo is to be expected. The fall of this place would enable General Allenby to strike at Alexandretta from the east, which threat would almost certainly cause the Turks to abandon any attempt to defend the city, which would then be promptly occupied by our naval forces. We have no word from Mesopotamia, but we may take it for granted that the demoralisation of the Turks in Syria has enabled General Marshall to send troops along the Euphrates and a junction between his forces and those of General Allenby in the near future is likely. The main Turkish armies are in the Caucasus and Northern Persia. If the Government at Constantinople fails to secure peace with the Allies, it is still possible that these armies may be hastily withdrawn and may offer resistance to the further advance of the Palestine force.

In Russia.

The situation in Russia remains much as it was when I last wrote, but there are uncomfortable rumours afloat concerning the attemps of the Germans to set up a more moderate Government than that of the Bolsheviki, an object which we also have in view. Milinkoff, the leader of the Cadet Party, and a prime mover in the upheaval which overthrew the Tsardom, is said to be in Berlin with several of his colleagues, but that may be merely a report spread by the enemy. There is said to be a peasant revolt in Ukrainia, which is giving the Germans much concern. Troops have been withdrawn from South Russia and Roumania to provide stiffening for the Austrians in the Balkans, and the Germans must find it very difficult to control matters in these districts without military help. Finland has invited a German Prince to become its king, but whether this request really represents the will of the people is doubt-

President Wilson, on February 11th, in reply to the German Chancellor's speech on his fourteen peace terms clauses, set out four fundamental things on which peace must be built. They are as follow:—

(1) That each part of the final settlement must be based upon the essential justice of that particular case, and upon such adjustments as are most likely to bring a peace that is permanent.

(2) That peoples and provinces are not to be bartered about from sovereignty to sovereignty as if they were mere chattels and pawns in a game, even the great game now for ever discredited, of the balance of power; but that

(3) Every territorial settlement involved in this war must be made in the interest and for the benefit of the populations concerned, and not as a part of any mere adjustment or compromise of claims among rival states,

(a) That all well defined national aspirations shall be accorded the utmost satisfaction that can be accorded them without introducing new or perpetuating old elements of discord and antagonism that would be likely to break the peace of Europe, and consequently of the world.



THE SUNKEN SHIFS AT ZEEBRUIGE.

Official photograph taken on May 30, showing the position of the three block ships which were sunk in the entrance to the Zeebruige Canal.



THE EXPLOSION OF A DEPTH BOMB. A photograph taken by an officer on bard an American destroyer, showing the terrific force of the explosion of a depth bomb she had dropped near an enemy destroyer.

THE SILENT SERVICE.

Report of the Royal Commission on the Navy.

In England, though we are all brought up in the most diverse manner, holding diametrically opposed political, social and religious beliefs-which we are accustomed to advocate with the wholehearted egotism of the Anglo-Saxonthere is one faith we one and all profess -absolute belief in the need for a powerful navy. We view with equanimity the rise and fall of Governments; look calmly on whilst army systems are changed and military linen is washed in public; but the moment there is any suggestion of political interference with the navy, or attempts are made to curtail the expenditure on ships and men deemed necessary by our naval experts, the whole country is up in arms, prepared if necessary to wreck the Ministry which dares tamper with our premier arm. So ingrained is it in the people that England must be predominant on the sea that public opinion is always solidly behind the Naval Lords when they think fit to oppose Ministers or object to proposed changes. That being so, it makes little difference what party happens to be in power the people know always that the sole object of the Admiralty is to have the navy in a state of perfect efficiency, ready for whatever may befall. Confident on this point, it was an affair of small moment if high military officers quarrelled, if War Ministers chopped and changed the methods of raising men, of equipping them, of training them That was after all a little matter provided the pavy was prepared and ready. But not for a moment would the people permit any weakening of what they rightly regarded as their main defence.

Nutured in an atmosphere such as this is it surprising that an Englishman coming to this country is amazed at the attitude adopted towards the navy in Australia? Here is a great island, which depends even more on ships of war for its defence than does Great Britain herself, and yet the doctrine of the need of a powerful navy, entirely above party influence, efficient, prepared, has never been preached, or, if preached, has won few converts. Yet could there have been agre 'er demonstration of the absolutely

vital need of sea command than has been given us by this titanic struggle? What would have happened to us had Britain's fleet not been ready and invincible? That terrible Saturday, on which the first news of the Jutland fight came through, gave us a faint idea of the situation which would have developed in 1914 had Britain not had two keels toevery one the Germans could send to sea Coming nearer home, would Australia's great cities have escaped bombardment had we not possessed a powerful battle-cruiser of our own? All the troops we could have scraped together could not have prevented the Gneisnau and the Scharnhorst, almost out of sight of land. hurling giant shells into Sydney, devastating Hobart, destroying our commerce. Yet, somehow or other, we here in Australia seem to take little pride in our navy, and no interest in its doings. Indeed, it is not until some petty scandal comes along, some minor mistakes are disclosed, that we appear to realise we have a navy at all. Then the papers are full of criticism, and damn the whole enterprise not with faint praise, but with vigorous invective. In general-very general-terms credit is given the navy for our immunity from attack, for the safe transport of our troops oversea, for the protection of our merchantmen; but almost vicious are the attacks made on the Naval Board, and on those who have helped keep Australia free from hostile efforts when some detail of their vast activities is shown to have been defective.

These reflections have been called forth by the reception given by the public to the report of the Royal Commission which was appointed to inquire into the business side of the naval administration. I hold no brief for the Australian navy or the men who control it. I am merely an Englishman who, like all his fellows, has been brought up to believe in the absolute necessity of an efficient navy, and I have no patience with those who, because faults have been found in the business methods employed on land, consider that the whole naval scheme and idea is at fault. The navy is a sea ser-

vice first and last. It is infinitely more technical than the army. To become efficient in it, a man must devote his entire life to it. To keep abreast of constant changes in method and new inventions he must apply himself to his job all the time to the exclusion of everything else To assume that, merely because certain departments of the comparatively insignificant land end of the service are found wanting, the entire service is rotten is simply idiotic. Yet, that is what many people are doing in Australia to-day, urged therete it must be admitted by certain newspapers which ought to know better.

SILENCE MISUNDERSTOOD IN AUSTRALIA.

Space forbids my examining the Royal Commission's report at length, but there are certain points in it that may well be emphasised. First of all it deals chiefly with finance, the dock-yards, and stores. criticising the first two departments severely. But, whilst the efficient working of these is, of course, necessary to produce a navy ready for all emergencies, the service is a sea-going one, as already pointed out, and against the main departments of the navy there is no criticism-nor is there any praise given. The Silent Service never says anything, never boasts, never enters into controversy in the Press. Whilst that is necessary, of course, it is misunderstood in a land where publicity is looked for from all and every department. silence is always maintained in England. and is expected. We know that the navy is all right, and we would regret it if its chiefs were constantly telling us so. This silence, however, makes it exceedingly difficult to find out what the Naval Board has really been doing to safe-guard Australia. We can only guess at it, rather by what has not happened than by what has actually taken place.

HOW AUSTRALIA WAS GUARDED.

Someone, presumably, must have prevented enemy ships in our ports escaping to sea when war was declared. The coming of war took us all by surprise, yet someone must have laid plans for such a contingency. The preventing of these ships putting to sea did not "just happen" as most of us no doubt imagine, someone foresaw, and gave the necessary orders at the right moment. The formidable armoured cruisers. Scharnhorst

and Gneisnau did not visit Australia. No doubt they badly wanted to, but someone must have been following their movements closely, and have countered them with the Australia, the only ship able to cope with them in these waters. The Admiralty, far away in London, could not have done this—presumably, it was done by the chiefs of the Australian navy. The Emden was working havoc in the Indian Ocean, and our transports, carrying 20,000 brave men, had to traverse that sea. Who laid the course, directed the ships and supplied the convoy? No doubt the Naval Board which we are now decrying! Mines are discovered off Gabo-why lay them there instead of outside Sydney Heads or off the entrance to Port Phillip, where they would do far more damage? Presumably, they were put down in an out-of-the-way place because the danger of putting them anywhere else was too great. That danger must have been very real, and was undoubtedly arranged for by the DEEDS WE WOT NOT OF.

Neutral papers tell of internal explosions on ships the world over, due to the introduction of infernal machines by enemy agents. None seems to have occurred on Australian loaded shipswhy not? Someone or other must have taken the precautionary measures which made the introduction of such machines too dangerous to attempt. When the Wimmera went down, we learned that her captain had not followed the course given him, which suggests that all merchantmen were under the direct supervision of the navy, which directed them what course to take to avoid possible danger. Such precautions are negative of course, and only when they are disobeyed do we realise that they have been taken. Mines have been swept up, crews have been maintained at full strength, ordnance has been provided, shipping has been controlled, wireless stations have been set up and worked throughout the Commonwealth and Oceania. All these things must have been done, and many more of which we know nothing, yet it is safe to say that the man in the street. who deems the navy rotten because of mistakes made on what may be regarded as the civil side of the administration, has not the faintest notion of what he owes the naval men, or any conception at all of the unseen work they do.

SURPRISING RECOMMENDATIONS

The report of the Royal Commission discloses an unfortunate state of affairs, of that there can be no doubt, but one cannot but be somewhat surprised at its recommendations. It finds fault chiefly with the accounts branch, but recommends that the head of that department should be confirmed in his position; has much to say about contracts and fitting of transports, even quoting a case of embezzlement, and vet recommends that the officer responsible for these matters should be promoted to the position of Finance Member of the Naval Board; criticises the delays which have occurred in connection with dock-vard matters. but strongly commends the officer responsible, proposing him indeed for Business Member of the suggested new Further, it has apparently no criticism whatever to offer concerning personnel and reserves, discipline, or the medical service, but calmly proposes the entire elimination of the Second Naval Member, who has had these matters in charge. Finally, it urges the immediate retirement of the First Naval Member, although it has seemingly no fault to find with operations, war preparations, intelligence or ordnance, which are his principal duties. The net result of its investigations are summed up in 36 recommendations, the chief of which is that the Naval Board be reconstructed, to consist of four members, only one of whom is a naval man.

THE BRITISH PRACTICE.

This is in direct opposition to British practice, where it is becoming more and more the rule to put active service men in charge of all things pertaining to the navy. Nor is this surprising, for the war has emphasised the need of having at the head of affairs on land men who are thoroughly conversant with the likes and dislikes, and the needs and habits, of those who man the ships. The sailor is in many respects a peculiar person. When he complains he wants the matter attended to at once. If it is settled in his favour, well and good, if against him he grumbles-and forgets it. What he cannot stand is to experience delays and to be dealt with by indirect and tedious methods so beloved of the departmental landsman. To secure harmony throughout the entire personnel, it has been found most necessary in England to have men of actual fleet experience in charge commission calmly proposing that a service, essentially sea-going, shall be controlled by a board only one member of which has had any fleet experience! Fortunately the Cabinet, in its wisdom, refused to agree to this recommendation, and reinstated the Second Naval Member the Commission proposed to shunt.

THE RETIREMENT OF SIR WILLIAM CRESWELL.

It approved the retirement of Sir William Creswell—the first Naval Member, whose place is to be filled by a naval officer selected by Sir Joseph Cook in England—if a suitable man can be found willing to take the post. Cabinet also approved the appointment of the suggested Business and Finance Members. I do not wish to suggest for a moment in the remarks concerning the last two made above that they are not eminently suited for the positions. I know nothing at all about them or their capabilities; all I am pointing out is that it is rather curious that after criticising the departments over which they are set so severely the Commission should have recommended their promotion. With the First Naval Member, however, one cannot but sympathise, especially over the unjust attacks which have been made on him since. Because he is retiring popular imagination appears to have heaped the sins of the entire administration upon his head. Yet actually the fault was not his, and had it not been for him there would have been no Australian navy at all to-day.

UNFAIR COMMENT.

One of the most unfair comments I have yet read attributed to him the heavy cost of the cruiser Brisbane, with the building of which he had nothing to do. The decision to build a battleship here was arrived at, not by him, but by the Government of the day, and, as First Naval Member, he was not concerned with the building of the vessel, had only to take charge of it after it was completed. To make Sir William the scapegoat who must carry all the mistakes made in connection with naval administration is a sorry, even despicable, thing to do, yet undoubtedly it is being done. Perhaps those who do it are angry that Australia ever set up a navy of her own,

and seize this opportunity of decrying the man who is responsible for the creation of an Australian fleet. That he is responsible there can be no doubt. He may not be a good administrator—of that I know nothing—but I do know that it was his dogged determination which brought the Australian navy into being.

THE CREATOR OF THE AUSTRALIAN NAVY.

I can well recall what Admiral (now Lord) Fisher told my father about his interviews with the Australian Prime Minister and the energetic sea captain during the visit of Mr. Deakin and Captain Creswell to London some years ago. I know that the feeling of the Admiralty was against a separate Australian navy, and the proposals considered at the time were for the establishment of bases in Australia, where capital ships sent from Britain could refit and be joined by light craft, which were to compose a sort of Australian mosquito fleet. I need not tell here of how, in the end, a fleet unit was substituted for the first scheme, and how in time Australia came to own a magnificent battle - cruiser, three swift protected vessels, several destroyers and a couple of submarines. We know something of what these ships have meant to us, though we will probably never know just how effectively they stood between us and danger. Even the veriest duffer in matters international, if he would reflect a moment, must realise how immensely important it will be in future for Australia to have an efficient fleet. If that were only more generally grasped there would surely be no carping criticism of the man who laid the foundation of the service to which we are already so much indebted, and to which we may ere long have to trust our fate.

MINISTERIAL CONTROL.

The Commission proposed that the final authority in matters naval should rest with the board and not with the Minister, and naturally this shocked our democratic rulers. How dreadful, they said, if Ministerial control is to disappear—why Ministerial responsibility goes as well, and that would never do. Yet, if there is Ministerial responsibility the publication of this report ought to make some Minister suffer, and of that there is no sign. In England the First Lord of the Admiralty is responsible, in theory, to Parliament for the adminis-

tration of the navy, but in actual practice he always follows the advice of his naval colleagues. On certain notable occasions he has insisted on having his own way, against their combined judgment. with the result that the naval members. knowing they had public opinion behind them, threatened resignation, and he promptly gave way. All the same, the First Lord has control through the purse We in England, though, realise that the navy is so supremely important that, despite our love of democratic control, we prefer to have the Admiralty run by the service men, not by a naval amateur. The situation is well understood, for the navy stands before politics and party, a thing apart.

THE MAJOR CULPRITS.

The Commission does not fail to indicate that the politicals are, after all, the major culprits in the particular matter under review, for it sets forth its conclusions as follow:—

The outstanding defects in respect of the central administration of the department are:

- (1) The provision of the regulations which gives the Minister control not only over the general policy of the department and Naval Board, but over the department's operations.
- (2) The failure of the Naval Board to assert itself when its decisions have been overruled, and when its existence has been ignored.
- (3) The lack of agreement between the members of the Naval Board which has reacted most noticeably throughout the department.
- (4) The failure to appoint a finance member of the Naval Board during the period of the department's existence which most demanded experiguidance in financial matters.
- (5) The lack of co-ordination between the various sections due to— (a) Incompleteness of the accounting
 - system.
 (b) Absence of centralised control over correspondence and records.
- (6) Failure to provide anything approaching suitable office accommodation, and the consequent lack of effective supervision over the staff.

The Minister and the Government are obviously responsible for almost all of what the Commission considers the "outstanding defects" of the administration. Why did the board fail to assert itself when ignored? Obviously because the Minister could do as he liked without taking it into account, and, unlike the British Board, it had no solid public opinion behind it to enforce its desires. Minis-

ters have a grip on the members of the Naval Board in Australia which does not exist in England. If members here resign, they receive no pension. They probably have families dependent upon them, and to give up their livelihood is a very serious matter. In England, if their resignation is accepted, they are retired on a moderate pension. Readers of modern history will know that if the system did not exist in England, if the Sea Lords had not threatened resignation when necessary, Australia might be to-day under German rule. It is, therefore, curious that a similar system is not in force here. Lack of agreement between members must surely have been aggravated by the right of each to go direct to the Minister, instead of approaching him through the board only. Government failed to appoint a finance member, it did not lie with the existing members of the board to make the appointment. It was owing to the absence of proper financial control that lack of co-ordination was developed. The Minister alone, through the Government, could have supplied suitable accommodation for the department-but entirely failed so to do. The Commission's criticisms of the conduct of certain departments may be severe, but its indictment of the Ministers responsible is damning.

CONTROL—BUT WHAT ABOUT RESPON-SIBILITY.

The Cabinet, however, conveniently passes over these six counts against itself and its predecessors, and declares that Ministerial control must be continued, despite its obvious faults, because Ministerial responsibility would cease. One would be better satisfied with this decision if Cabinet showed the slightest intention to saddle any Minister with responsibility for the state of affairs disclosed by the report. From the experience of the British Admiralty one would certainly think that it would be well to refuse the Minister control over the detail working of the department's operations whilst preserving to him direction of the general policy of the board, and entrusting him with the purse strings. It is to be hoped that the Government's decision on this matter is not final. Everyone with the welfare of the Australian navy at heart must be glad the Commission's recommendation that

there shall be only one naval member on the board has been rejected. On the whole, the Cabinet's comments on the report indicate an appreciation of the true functions of the navy, which the Commissioners seem somehow to have failed to reach. A perusal of the Cabinet's comments on the recommendations leads one to the conclusion that nothing much will be done until Sir Joseph Cook gets back, so many are the matters deferred for his return. If he manages to get a really competent naval officer to take the position of First Member, it is pretty evident that such a man would be charged with the carrying out of changes largely at his discretion.

AUSTRALIA'S FIRST DEFENCE.

I have dealt at some length with this report, because I am so absolutely convinced that, before very long, it will be a vital matter for Australia to have a strong and efficient fleet, to have suitable naval bases and adequate repair shops. We see our soldiers in the streets, we read of the doings of our gallant forces every day, we watch and cheer our wounded who come back, and we bid God-speed to our reinforcements as they march to the transports. On every hand we have the army thrust before our vision, but of the Silent Service we see and hear nothing. An occasional quiet man passing by in naval uniform is all that reminds us of our navy, save a rare and usually brief reference to an exploit of some sailor who wears the Australian uniform or of some ship which flies our flag. But if ever Australia were seriously threatened it is to our fleet we would look for protection. If that fails, no matter how prepared our army, a landing on our shores could be effected. and, without ships to interrupt communications, what hope would the most gallant force have against hostile hordes

To Australia even more than to Britain the fleet is a necessity, the main, almost the only, bulwark against foreign aggression. The future of the Pacific is a matter vital to the very existence of Australia, and only if she has a fleet can the Commonwealth make her presence felt in this vast ocean, take her place as a Pacific Power to be reckoned with. She could not do that with her army, no matter how brave, how efficient.

DO YOU KNOW THAT-

The first Turkish internal loan was raised recently. and LT14.000.0003

The British national debt in July, 1918, was £6,558,600,000, as compared with £710,500,000 in July, 1914?

In Copenhagen there are 27,000 workless people, and there is general lack of employment throughout the whole of Denmark?

The number of men in the American navy is now 450,000? The number in the British navy before the war started was 140,000?

The Eighth Austrian war loan realised over 6,000,000,000 kronen, £250,000,000 at pre-war rates? The same amount was

realised by the seventh loan.

More than £1,000,000,000 has been set aside by the American Government this year for the purchase of field artillery and ammunition for General Pershing's army

A Chicago philanthropist has given £500,000 to the University of Chicago to be used in the education of soldiers and sailors and their descendants after the war

A farmer in Denmark recently bought for delivery in November 41 bullocks, for which he paid £2000? This is a record for a country which has always been a large exporter of meat.

The present national debt of Australia, including the Commonwealth and States, is £664,000,000, only £50,000,000 less than the national debt of Great Britain before the war began?

The shortage of coal in Denmark has led to high prices being paid to people to work in the peat bogs? It is no unusual sight to see students, military officers, and others, digging industriously in

such places.

The total value of the British submarines in the Baltic, the stores, workshops and barges for floating mechanics. which had been collected in the harbour at Helsingfors, and were destroyed before the Germans took the place, is estimated at £3,000,000?

Government has authorised the construction of two 40,000 ton battleships, which, by a considerable margin are the largest warships ever designed? They will steam 25 knots, and carry a main battery of twelve 16-inch guns, in four 3-gun turrets.

The volunteers furnished by Ireland, divided between Ulster and the rest of the country, were as follow?:-

Year. 1914 1915 1916 1917	 	Ulster. 26,283 19,020 7,305 5,830	Rest of Ireland. 17,851 27,351 11,752 8,193	Total. 44,134 46,371 19,057 14,023
		58,438	65,147	123,585

It was estimated that over 1,000,000 Americans would reach the age of 21 during the 12 months which ended on June 5th, 1918? Only 744,865 men actually registered, however, but this was due to the fact that another 200,000 had already enlisted in the army as volunteers.

It is estimated that 22,000 officers and 220,000 men will be required to man the fleet of merchant ships which is being built by the United States Shipping Board? The total number of persons employed in the British mercantile marine before the war was 281,300. 80,000 of these were Lascars and other

The estimated total yield of wheat in South Africa, Australia, New Zealand, Uruguay and Argentina for 1918, is about 197,776,000 cwt. The total represents an increase of 55.4 per cent, when compared with that of 1916, and of 34.3 per cent, compared with the five years'

The German authorities in March last, in view of the great shortage of fractional currency in Belgium, issued a large number of zinc coins with a face value of 50 centimes (5d.)? On the face is a coat of arms with a lion and a laurel branch. The obverse bears a five-pointed star, with the inscription Belgie-Belgique, and the date. A hole is pierced in the centre of each coin.

In 1915 the United States exported 37,000,000 gallons of petrol to Great Britain, France and Italy? In 1916, the quantity exported increased to 98,000,000 gallons, and in 1917 no fewer than 141,000,000 gallons were exported to the Allies from the United States. In 1913 the total amount of petrol exported from America to all the world amounted to only 117,000,000 gallons.

HISTORY IN CARICATURE.

Oh, wad some Power the giftie gie us To see oursels as ithers see us. - Burns.



tiebe.] [New York. THE BLUE DEVILS OF GERMANY.



Tribune.] [New York.

AND ALL THE TIME HIS BAIT IS GETTING
LOW.

There has not been time for any European or American cartoons on the changes situation in Europe owing to the collapse of Bulgaria to reach this country, nor will any be here for several weeks yet. All the same, the American papers to hand take up the attitude that the German position is now hopeless, and the three on this page are typical of many now appearing in the United States.

The neutrals as well as the Allies emphasise the immense difference made by the coming of the Americans, the *Iberia*, of Barcelona, showing Jeanne d'Arc pulling



[Louisville AT THE GERMAN WAR THEATRE.

(Placard reads: "The management regrets to announce that, owing to the audden indisposition of that great actor. "Man Power," the leading part will be played by his understudy, 'ferman Peace,' for the rest of the performance of Hindenburg's much-advertised masterpiece, 'Doing Up the Allies.'")



whiskers

back the German from Paris, and making

her say that the Americans are arriving.

The Italian papers, which take some time to get here, are still full of rejoicing over the defeat of the Austrian offensive

across the Piave.

Both neutral and Allied papers show Austria being more and more dominated by Germany.

The Swiss Nebelspalter deals always with generalities, or touches on the direct influence of the war on neutrals.

Il 420 suggests that Russia is like Gulliver in the land of Lilliput. Nelson



National News.] | London.
"ALLOW ME TO INTRODUCE YOU."



Iberia.] [Barcelona.
"NOT THIS TIME, EITHER, BESIDES, THE
AMERICANS ARE ARRIVING."

Harden's cartoon is certainly more accurrate. In this connection it is curious to read the papers to-day, which assert that it the Dardanelles are opened great supplies will reach the Allies from Southern Russia, whereas the same papers assure us that Germany has failed altogether to find any supplies there at all!



Il 420.] [Florence.

"I NEVER HAD A BIGGER ONE THAN THIS."
(Fiasco is the Italian word for Flask.)



Daily News.] (Dayton.
Wilhelm: "The ties that bind us have been strengthened."



Eccning Express.] [Liverpool.

RAINING ON THE RHINE.

A shower that will do a power of good.



La Victoire.) [Paris AUSTRIA: THE JUNIOR PARTNER.



THE OGRESS.
HOLLAND: "Great Bertha!"
SWITZERLAND: "Old Bogey!"
BOTH TOGETHER: "The old Hypocrite!"



Iberia.] [Barcelona.]
The Bear: "Because he cannot see me he thinks I don't exist."



[Florence. THE GIANT (RUSSIA) HAS NOT BEEN SLAIN, BUT HAS BEEN OVERCOME BY
TRAITOROUS NARCOTICS.



Eagle.] THE MIRAGE. [Brooklyn.



THE ECONOMIC WAR. "I tell you that the Great Powers will continue the economic war until they have starved—the last neutral."





La Victoire.] Paris. THE ASSASSINATION OF COUNT MIRBACH. TROTSET: "Oh, horror! they have killed a German!!"

STRENGTH OF ALLIED AND GERMAN ARMIES.

Frank H. Simonds, writing in The American Review of Reviews, gives some exceedingly interesting figures in a summary of the position as it was on July 4th, when President Wilson permitted the announcement to be made that 1,019,000 American soldiers had been transported to France. This means, says Mr. Simonds, that on August 1st no fewer than 850,000 American soldiers would be in Europe, who would be available for some measure of active service this year. This number, he says, is sufficient to restore the balance between the armies of the Allies and the Germans. He considers that the transportation of these men to France is the really great American achievement of the war. It is "an achievement beyond the expectation of our Allies, far surpassing anything the Germans feared." He goes on:-

The question of numbers is always a puzzling one, and on no subject has there been so much confusion in recent months. To the people of this country the sudden appeal of our Allies for men in March, accompanied by the frank confession that not only were the British and French outnumbered upon the Western front, but decisively outnumbered, came as a distinct shock. Suddenly the real meaning of Russia's collapse was appreciated, but there remained the puzzle as to how the thing had come about, in the face of comparative populations and the reported numbers which France and Britain had en-

The real trouble, I think, has lain in the failure of the military writers to make clear the distinction between gross numbers and organised numbers. Thus, if the British have had on the average close to 2,000,000 men in France for at least two years, this fact has been accepted as meaning that the fighting strength, the organised fighting strength, of the British army has been steadily 2,000,000, and the same assumption has been made in the case of the French. Now, the fact is this: The British

Now, the fact is this: The British strength which has never been in excess of 1,000,000; that is, the number of men, organised in divisions, provided with all the officers and machinery of the divi-

sional unit. The other million has been made up of a certain percentage of menegaged in necessary but non-combatant tasks, of men held in depots to replace wastage (and the British loss last year was a round 1,000,000), and of new levies undergoing final training before being incorporated in existing units.

Sixty British divisions, with an average strength of between 900,000 and 1,000,000, represent approximately the full field strength of the British army in France. To keep it at this strength through a year of fighting requires another million. But the British could not and cannot inside of many months transform any part of their unorganised force into new divisions, because this requires special training of officers, the creation and co-ordination of intricate machinery and staffs. On the whole, save for such divisions as were stationed in Britain, in the colonies, or employed in "sideshows," but available for recall or transport to France, the fighting strength of the British army for 1918 was not, and could not be, much above sixty divisions

As for the French, their great losses compelled them early in the war to restrict the manufacture of new divisions. They had a fixed number of men available. They had a certain number of divisions, and a fairly regular rate of wastage through casualties. They could thus calculate how long at the existing rate of wastage they could maintain, say, eighty divisions of 15,000 each. If they created more divisions, their reserves to supply wastage would be used up more rapidly, and they would presently have to reduce the number of divisions.

Accordingly, the French early decided to maintain their field or fighting army at a strength of some 1,250,000 men. Taken with the 900,000 British and some 100,000 Belgians and Portuguese, this gave the Western Allies a fighting strength of 2,250,000. They had the reserves to keep this force going through the present campaign, and to maintain it at full strength, but they had not the resources to increase it by creating new divisions within time which would enable them to make effective use of these new units.

These 2,250,000 represented an organised strength of 180 German divisions.

The strength of the German division is about 12,500, while that of both the French and the British is materially larger; but, for purposes of establishing a comparison, I shall use the German divisional strength as the unit. On the Western front, then, the Allies had some 180 divisions available in March of the present year. They had the reserves to maintain these divisions, but they could not increase them in number, and their effective fighting force at any one time might be less, but would not be more than 2,250,000 men, organised in units equivalent to 180 German divisions.

Now what did the Germans have on their side to face these 180 Allied divisions? They had, or they were destined to have, no fewer than 225 divisions, when they should complete the process of transferring troops from Russia to the West front. In other words, they had an advantage, immediate or prospective. of forty-five divisions when Ludendorff began his great offensive in March. They had in addition the advantages of a unified command, a homogeneous army and a central position enabling them to throw their superior numbers at any point in a wide semi-circle between Verdun and Lille, from the inside of the circle. These forty-five divisions represented an actual or ultimate numerical superiority of approximately 560,000. Moreover, by combing through their population and by calling up both the old and the young, they might hope to keep their number of divisions at full strength for the present campaign.

Our Állies did not perceive the situation in advance. They underestimated the force of the German blow and the possibilities of the German numbers. The consequence was that, after the initial defeat in Picardy, they found themselves facing a situation in which there was no possible source of relief, outside of the United States. We were raising a new army and creating new divisions. These divisions, once trained and transported to Europe, would redress the balance, but unless the pace of shipping were accelerated, they would not come in time. Hence the almost frantic ap-

peal of last March.

Now, what has been our answer? We had a round 250,000 troops, organised in fighting units in France when the appeal was made—a total of twenty divisions,

measuring by the German divisional yardstick. Our own divisional strength is something quite different. But even with this 230,000, or twenty divisions, our Allies would still count but 200 divisions against 225 for the Germans, 206 of which had already appeared on the Western front by April. Unity of command had already come. Homogeneity of troops was unattainable, since there were bound to be men of various nations engaged on the Allied side. It remained to get the equality of numbers.

Now, on July 4, we had 700,000 fighting men in France, plus 300,000 employed in necessary but non-combatant tasks. To-day we have 850,000 fighting men. All of this number are organised into divisional units, and have been trained as such in this country, but by no means all of them are yet fit to be put in the firing-line. In a word, by August 1st, we shall have sent to France the strength of sixty-eight German divisions, bringing the total of Allied divisional strength up to 244, against 225, for the Germans; but not all of our divisions are available, nor will be available before September, when they will have completed their final stage of training in France. And even then a certain number will be available only on quieter sectors.

But we have at the present moment at least the strength of forty German divisions; that is, 500,000 either fighting in the first line and in front of the German drive or holding sectors in Lorraine or brigaded with British and French units as a preliminary to being returned to their old organisations, and these forty divisions give our Allies at least 220 divisions against a possible 225 for the Germans, only 206 of which have so far been reported upon the Western front. We have, then, to all practical purposes restored the balance. Instead of 180 divisions always employing the German divisional yardstick, our Allies have 220, while the German has not yet reached the same mark, and can hardly exceed it much.

But, in addition to forty divisions already in, we have the strength of twentyeight more in Europe to-day. All of these will be able to do something by October, and then our Allies will have 248 divisions against 225—a decisive advantage. And some of these divisions will be available before October. In any event we shall have by September no fewer than five more divisions available, even if only available when used brigaded with British and French units, and the Allied strength will then equal the Germans. Ludendorff will then have lost the advantage he had when the Allied high command was not united. He will no longer have a superiority in numbers. He will still have only such slight advantage as comes from homogeneity of nationality within his army, and against that will be set the advantage possessed by the Americans in material, since our men are young and fresh, the finest material left in war-cursed Europe.

In sun, then, by August 1st we shall have restored the balance, met the appeal of our Allies, and thereafter, slowly but surely, our divisions, already there, will become available, until at the end of the year the Allies, with our troops, will have 248 divisions, against 255 German—an excess of twenty-three as compared with the inferiority of twenty-five, which

confronted them in March.

Looking to next year, there is no reason why we cannot increase our field force to 1.500,000 by next spring, giving us an organised strength equivalent to 120 German divisions, and making the total available strength of the Allies for next year 300 divisions, against 225 for next year 300 divisions, against 225 for next germans, for I do not believe the Germans can possibly increase the num-

ber of their divisions next year, and they may, if their losses this year continue to be enormous, or the Eastern situation becomes threatening, have to reduce the number.

In a word, thanks to our rapid transport of men to Europe, Foch now has a divisional strength equal to that of Ludendorff. Thanks to the same cause, he will have an advantage, and a real advantage, before the campaign ends, and thereafter, so long as the war lasts, he will have a decisive superiority. The German has failed to get his decision while he had the advantage of numbers. He must get it now while the numbers are substantially equal, but there remains to him a slight advantage in the number of highly trained troops.

At the very latest he must get that decision before the end of September, and it will be a dubious outlook for him if he has not opened the way to that success by the fourth anniversary of the Marne.

This is, I think, an approximately accurate explanation of the question of numbers. The collapse of Russia explains the immediate superiority of the Germans. The Allies could not, or did not, prepare for such a situation. When it came, they were without other resource than to appeal to us. Had we failed the result might have been, probably would have been, fatal. The danger is not yet quite over, but it is passing rapidly.

SINO-JAPANESE RELATIONS.

Mr. Robert Machray contributes to The Fortnightly Review a most interesting summary of the relations between Japan and China since the beginning of the war. The occasion of this review is the signing of the Sino-Japanese military convention in May of this year, the terms of which convention, by the way, have not yet been published here, and are not given in his article. This convention, he says, was made necessary by the German penetration and exploitation of Asia. When the war began, Yuan Shih Kai

When the war began, Yuan Shih Kai was the President of the Republic, and was firmly established in that position. By a series of judicious measures, he had greatly improved China's financial position, and the country was actually in

better condition than it had been for many years. The domestic position of China received a rude shock, however, early in 1915, when Japan, through Marquis Okuma, who was Prime Minister at the time, handed the Government at Pekin a protocol, containing twenty-one demands, several of which, it will be remembered, were not communicated to the Allied Powers, but were in the original decument given to Yuan Shih Kai. He strenuously opposed these demands as being derogatory to Chinese sove-reignity, but Japanese chauvinists clamoured for the exercise of force to compel him to give way, and the relations of the two countries became strained. Japan then slightly modified her demands, but still Yuan refused to agree to them. He

finally yielded when presented with a 48 hours' ultimatum.

The terms which Japan thus forced on China consolidated her position in Tsing Tau, Kiau Chau and the whole of the Shantung Peninsula. Japan took over every right to which the Germans had laid claim, substituted herself for Germany, in fact, so that as far as China was concerned, she gained nothing from the expulsion of the Germans. settlement buttressed up the Japanese position in South Manchuria and Eastern Mongolia. The demands, which it is understood were withdrawn, included proposals that China should purchase from Japan more than half any munitions of war she might require, or should permit Japan to establish an arsenal in China; that the police in parts of China should be jointly administered; that Japanese advisors should be appointed in political, financial and military affairs; and that Japan should have the right to own land in the interior for certain purposes.

The Allies remonstrated with Japan when these demands were disclosed, and the elder statesmen withdrew them, but Japanese jingoes were greatly disappointed that these demands were not pressed. The elder statesmen, however, who completely dominate Japan and rule the country absolutely through the medium of an Emperor, regarded by the populace as half-divine, decided on a reversal of Japanese policy toward China, and, in 1916, Marquis Ókuma resigned, and was succeeded by Field-Marshal Terauchi. Yuan announced his intention of proclaiming himself Emperor in February, 1916, but Japan opposed the scheme, and is held to be responsible for insurrectionary movements which occurred in various provinces of China. As a result, Yuan indefinitely postponed the re-establishment of the monarchy. Shortly after that he died, and was succeeded by Li Yuan Hung, whilst Tuan Chi Jui, who had been Minister of War, became Prime Minister. Southern China denounced Tuan and his supporters, and demanded the revival of the constitution of 1911. But, though Parliament continued to sit in Pekin, the real power was in the hands of the military governors of the provinces, known as Tuchuns. Each of these had his own military force, and in the disorder that

now came upon China, did practically what he liked with it. The Tuchuns of the north stood together with Tuan at their head. The south asserted that Tuan was a pro-Japanese, and violently opposed him.

The Japanese Government, through the Foreign Minister, admitted that its action in China in the past had created an unfavourable atmosphere for her in that country, and that this feeling must be dissipated. Marshal Terauchi, after the general election of last year, which gave him a majority in Parliament, announced that the two main things for Japan were "to support the Allies and to do all in her power to cement friendship with China.7 Everything was to be done to secure the goodwill instead of the animosity of the Chinese. Mr. Machray then tells of the manner in which China was induced to throw in her lot with the Allies by the suspension of payments of the Boxer indemnity and the revision of the tariff.

During these negotiations serious trouble developed between Li, the President, and Tuan, the Prime Minister, and in the struggle, Parliament was dissolved by the Tuchuns, Tuan was dismissed, Li resigned, and an abortive restoration of the dynasty was attempted. Finally Teng Chang became President. During this period of strife America sent a Note to China deploring the growth of internal dissensions in the land, and more than hinting that China should secure national unity in preference even to making a declaration of

Throughout this time of disturbance Tuan doubtless consulted Japan, but, true to ber policy of non-interference, she had stood aloof and not a few Japanese resement this act of the United States, for while they recognised its excellent intentions, they thought it likely to do harm by appearing to support Li's anti-war programme, and encourage the strife of factions which it was meant to check.

Tuan became Prime Minister under Teng, and, early in August, the Cabinet unanimously voted to declare war on Germany and Austria. Though South China refused to recognise the Pekin Government, it also declared war on the Central Powers. It was the Pekin Government, however, that at once benefited by this declaration. Japan came forward with a loan of a million sterling to meet the most pressing necessities,

and, in September, the Allied Ministers told the Government that in recognition of its action Boxer indemnity payments would be postponed for five years. Immediately thereafter a revolt occurred in the province of Hunan, and, although Al-lied Ministers urged Tuan to compromise, he declined, and sent troops to suppress the rising. Since that time civil war has continued without any cessation, and without decision. Teng, the President, seeks to conciliate the south, but Tuan is determined to defeat it in the field. The latter has resigned on several occasions, but has always returned to power, and is to-day the leading man in China. This is largely due to the fact that he desires to work in harmony with Japan.

The convention signed between the two countries in May last consolidates his own position, and at the same time immensely strengthens the Pekin Gov-ernment. It was officially announced that the agreement had been made necessary "because it was imperative for the Japanese and Chinese to co-operate in order adequately to meet the exigencies of the case." It was stated, though. that the arrangement made constituted a military secret, and could not be made public. It is understood, however, that Japan binds herself to withdraw her troops from Chinese territory " when the purpose for which the agreement was made was fulfilled," which suggests that the convention is for the duration of the war only.

THE REIGN OF TERROR IN RUSSIA.

John Pollock writes in *The Nineteenth Century* on life under the Bolsheviki in Russia last winter. His article was prepared before the Allies had decided to intervene, and some of his remarks therefore lose their point. All the same he gives a very interesting account of the attitude adopted in Russia towards the Allies, and of the actual conditions obtaining in Petrograd whilst he was there. Referring to the house committees which sprang into being directly the Bolsheviki seized power in Petrograd he says:—

For a considerable time they were, and, indeed, now emain the only protection against
the production of the process of the production against
they producted weapons at high prices from
dealers, or at low ones from members of the
Red Guard unscrupulous enough to part with
their rifles to the bourgeois—they organised
guards of able-hodied tenants, sometimes reinforced by paid Caucasian bravos, who keep
the gates in watches of three or four hore,
summon from twenty many three products
throughout the night, and san in
the summon from twenty of the product of the right
and law, but have to be reckoned with by the
Maximalist masters as possessed of a certain,
if indefinite, force. They have no existence
Maximalist masters also possessed of a certain,
of the production of the production of the prosolute obtain bread, parallin, and sugar without waiting for several hours in the street
retail price which is a rouble antender at the
amount of the production of the product

Mr. Pollock and his friends walked about the streets with their hands on the butts of their automatic pistols. It was quite a common occurrence for gentlemen to be stripped by robbers and flung into the canal. Nothing that would terrify and disgust respectable citizens was omitted from the programme of the Bolsbeviki.

For days together Petrograd has been the year of prowing bands that to the accompaniment of ries and machine-gun fire sacked the with the cellars of the street of the sacked the with the cellars of the street of the sacked the with the cellars of the street of the sacked the with the cellars of the street of the sacked the sacke

or raw material. A large part of Petrograd receives electric light only for six hours a day the convenience of which will be recognised on reflecting that in winter Petrograd hardly enjoys more than six hours' daylight. Candles and parafin are very expensive and difficult to procure. In short, the mechanism of life becomes more unhinged day by day and there is no one that does not face the possibility of its breaking down alogether. Then life will become, in the classic definition to which it even now approaches, "nasty, brutish and short."

Concerning Kerensky, Mr. Pollock says that his rise to power was the result of the absence from the scene of any strong personality that might have interrupted the spread of the legend from which his gigantic and mushroom popularity was derived.

He was a Socialist intellectual at a time when respect for intellect had not yet been smothered in the army by the catch-words smothered in the army by the catch-words supplied from Germany, and there was no man of real entinence in the same position; that was all. Vain, weak, hysferical, unprincipled, self-convinced may be by the catchpenny phrases that were all the core of his eloquence, supporting, condoning, or ignoring the worst excesses, the most slavish errors that accompanied the ruin of the army and the dissolution of stable government, he drove the ship of state on to the rocks faster than the ship of state on to the rocks faster than a man of more apparently criminal character might have done. Fear of being supplanted by the Cadets (the Party of the People's Liberty) stayed his hand when in July any decent patriot would have put down the Bolsheviki once and for all—a whiff of grape-shot would have done it; yet greater fear of General Korniloff led him to lie to that true lover of his country and son of the Russian soil and to invent with the aid of Nekrassov and other Socialist tutors the legend of his shiftly of military efficiency. Fearful alike of being held too moderate and too extreme, without policy or standard, he forfeited the support of every section of the nation and fell, an object of scorn or hatred to all. His last acts, in summoning a company of girls to last acts, in summoning a company of girls to the defence of the indefensible Winter Palace, whence he himself fled, leaving them to fall into the hands of the sailors from Cronstadt, and in sacrificing the lives of the Junkers in Petrograd by an order to seize the telephone Petrograd by an order to seize the telephone exchange when he must have known that his promise to enter the capital in victory in tew hours was an empty boast, can hardly give him a lower place in history than that which was already his due. Towards Russia and the allies his attitude, in relation to the Maximalists, was that of a decoy who whistles in front of his victim for the actual assassin to come behind and deal the deadly stroke.

Mr. Pollock mentions that the Kremlin was not destroyed, the Church of St. Basil the Blessed was not burnt, as reported, and the damage done in the city of Moscow was far less than cables led

us to expect. In fact, the cannon of the Bolsheviki constantly overshot their mark during the fighting, and it was only when they invited a German officer to lay the guns that shells began to explode in the Kremlin and forced its prompt surrender. The Bolsheviki have prohibited newspapers from publishing advertisements. They have abolished the Courts of Justice, they have seized the banks, and are the real tyrants. Their aim, says Mr. Pollock, "is admittedly that of the German Social Democratic leaders—the dictatorship of the working class." Everywhere the Germans, though at the time peace had not been concluded, were spreading over Russia. They know, he says, that the rule of Kerensky and Lenin has destroyed Russia's last power to defend herself.

In this catastrophe ... We have allowed ourselves to be pushed nearer and nearer the edge of the bed that we and our friends had taken at the inn by an impudent robber who has crept in, stolen our friend's watch and pistol. slapped us, shoved us, ... and will perhaps before long heave us, ... and will perhaps before long heave us the while have shown to the perhaps before long heave us the while have shown even when the final move for our ejection began, was confined to a refusal to recognise the interloper. We would not treat with him, we would not recognise them. Thus it has come about that while hardly two educated Russians out of ten will believe that the British embassy in Petrograd did not engineer the revolution of February, which has proved the cause of their undoing, our enemy who knew how to profit by it as we did not has successfully represented us to the uneducated pries draining the world's veins to swell our moneybass.

He admits that the geographical position was against us, that we were many, and the enemy's mind was single, that weapons were at their command which we could hardly have used. Yet, making every allowance, it must be admitted that "our policy of do-nothing-and-hope-forthe-best has been tragically weak. We should have remembered that the mob does not respect cowardice, it respects the fist. First-rule is the policy of the Bolsheviki."

"I cannot understand the Allies," said a member of the second Duma. "Do they mean to wait till the Germans come here and organise an army against them? I have lived in the country in Russia half my life and I know the people. To-morrow they will kiss

the toe that kicks them to-day. They are children. When they slaughter stock and bursed-corn, do you think they understand what they are doing? The policy of grabbing the land without system or reason means rum to themselves, and very soon-when the Germans come to make order they will welcome them. The they will space them them the common that the system of the stock of the system of the stock of the system of the syst

webel will give you the best soldiers in the world." Said a Jewish lawyer: "Let the Americans come, or the Japanese, or the English, or the French; if they do not, the Germans will."

He holds that it is stupid and cruel for us to accuse the Russian educated classes for what has happened. They were cut off from the light by a corrupt court, a reactionary bureaucracy, and a frivolous aristocracy.

WOMEN IN THE ARMY.

Doctor Elizabeth Chesser gives a short but interesting account in The Contemporary of the women's army in France. When the idea of replacing men by women in the non-combatant spheres of the army was first mooted a good deal of criticism was naturally aroused, she says, "For the first time in the history of the civilised world women were to form an integral part of a great army. They were to replace men behind the lines in order to provide more fighting material." It is a curious fact that there has never been any reference to the Germans utilising women in this way, yet we are constantly assured that the Germans are in desperate need of soldiers. Nor do the French appear to have sent their women to swell the non-combatant army immediately behind the front. Presumably they have plenty of black troops they can use instead. Says Dr. Chesser:

I left France thoroughly convinced that women were doing necessary work under good conditions, and that they must be obtained in increasing numbers. The call for women's work in the army is as insistent now as the need of men in 1914. The little army of 6000 women in France ought to be increased. The army in England can be recruited even more quickly. The need of man-power is urgent and so real that it is essential that all latent and so real that it is essential that all latent and the contract of the conscripted of the conservation. The conservation of women need be seriously considered, we can obtain tens of thousands voluntarily.

She puts in an earnest plea for recruits in the following paragraph:—

First, women have to realise the country's need and their duty. Every woman should serionsly ask herself if the work she is doing at present is using her powers to the greatest national advantage. The mother of young children, the woman with real domestic responsibilities to keep her at home, is not called upon for army service. But the childless wife under forty-five years of age, the woman

whose children are at school, the unmarried woman, with her futile two half-days in canteen or her mornings in hospital, the vast army of women still unemployed, in the real sense who are shirking, perhaps from failure to realise the seriousness of the situation—from these the Women's Army Auxiliary Corps should be recruited.

Work, and plenty of it, is waiting in France, and officers are asking for more and more women to release their soldiers for the fighting line. Dr. Chesser found telephone centres in important base towns entirely run by women, and discovered great numbers in the big military signalling stations in France "working on shifts, capable, quick, efficient, quiet." The army bread supply, she says, should be entirely in the hands of women. Some are already working there. These baker women wear blouse and trousers in place of khaki coat frock, and, in some cases, caps, which ought to be compulsory. Some of the women workers live in hostels, others in camps, and the discipline is strict. They have to be in camp at 8.30, and must always obey General Routine Orders and (local) Standing Orders. Military camps and barracks are out of bounds for all. Some sort of uniform must always be worn.

The health of the women improves from the day they land in France. "The great majority of the recruits gain an average of one to two stone in weight in the first three months." The healthy camp life, the regular hours—the early to bed and early to rise—and the simple rourishing meals soon begin to tell their tale. Punishment is naturally modified considerably in the case of these women soldiers. "One could not conceive of women undergoing field punishment or being shot for desertion." Restriction of privileges, confinement to camp or

barracks, are the usual form punishment takes. Says Dr. Chesser in conclusion:

I had the opportunity of studying the crime sheet. With so many women of different types and classes, some cases of misdemeanour and unworthy behaviour must necessarily be met with. But on investigation, I found these to be remarkably few. Since the formation of the W.A.A.C. in France, out of 6000 women there have been twelve cases of veneral disease, twenty-one cases of pregnancy—the bulk of these were pregnant before leaving England (two of them married women)—and ten women sent home for inefficiency. These facts are sufficient answer to the ugly rumours and unfounded scandals against the W.A.A.C.'s in France.

FROM LABOURER TO MILLIONAIRE IN 17 YEARS.

Charles M. Schwab, head of the U.S. Emergency Fleet Corporation, which is charged with the execution of the American shipping programme, has had a career like that of a millionaire of popular fiction. The Oregon Journal thus tells the story of his life:—

At 18, he worked for 10 dollars a month, at 19 his pay was 1 dollar a day, at 39 he refused a salary of 1,000,000 dollars a year. No career has been more meteoric. He was born in Williamsburgh, Pennsylvania, April 18th, 1862. At 12, he began driving the stage from Loretta, Pennsylvania, to Cresson. At 18, he worked in a grocery store from 6,30 a.m. to 10,30 at night for 10 dollars a month. At 19, he was employed in the Edgar A. Thompson steel industry at Braddock, Pennsylvania, in which he drove stakes and carried the chain for the engineering corps. In six months he was made chief of the engineering force.

From that time on his rise was spectacular. At 29, he became chief engineer and assistant manager of the works. It was the beginning of big things. He enlarged the rail mill department to handle the largest output in the world. He learned every branch of the steel business. At 25, seven years after he entered the Thompson plant, he became head of the engineering department of the entire Carnegie organisation. He planned and built the Homestead Steel Works. Carnegie said of him about this time, that young Schwab "knew more about steel than any other man in the world."

His development of steel processes was rapid and tremendous. The United States Government needed armour plate, and, after tedious experiments, Schwab provided it. The head of the Thompson steel works died, and Schwab was selected to take his place. That happened when he was only 28. At 30, Schwab was selected by Andrew Carnegie to re-open the Homestead Steel Works after the terrible strike of 1892. It was a gigantic task, but Schwab succeeded in it. It was said of him in that undertaking that the "Schwab smile, the Schwab cordiality, the Schwab radiance, the Schwab sincerity, the Schwab ability, amounting to genius, won all hands and all hearts"

At 35, Schwab was made head of the Carnegie Steel Corporation. That was only 17 years after he entered the steel industry at I dollar a day. The new position made him the best-known industrial magnate in the country. At 38, he concluded the sale of the Carnegie properties to I. P. Morgan at 492,000,000 dollars. That was the beginning of the gigantic United States Steel Corporation, the hugest corporation the world had seen up to that time. Offered a salary of a million dollars a year, he refused, and accepted a commission of two per cent. of all the money earned over 70,000,000 dollars annually, and made more than his million a year.

At 42, he became head of the Bethlehem Steel Corporation, an organisation all his own. The concern, with its subsidiaries, employs over 60,000 men. It is said to be as great a producer of war enginery as the famous Kiupp of Germany.

CATECHISM OF THE WAR-LXXVIII.

Since August, 1914, when the war began, 2168 questions have been asked and answered in this section. Most of these have been reprinted in STEAD'S WAR FACTS.

Q.—Could you tell me how many men liable to military service failed to register in New Zealand?

A.—According to the latest information available, 10,265 reservists were referred to the responsible authorities for investigation; 7967 of these have been located, and 2298 have not been found. Some of these are at sea, or otherwise employed in places where the authorities cannot locate them, but a large number of the 2298 are obviously evading military service.

Q.—What is the correct way to spell the name of the popular Australian fish? Is it "schnapper" or "snapper"?

A.—The correct spelling is "snapper." There is no reason whatever for spelling it with a "ch." The first person to spell the name of snapper with regard to the Australian fish was Cook himself, when he stated that in Shark Bay, West Australia, they got "goodly store of snappers." The Dutch spelling appears to have crept into the word in the early davs of New South Wales. Nobody seems to know why, and it is really incorrect.

Q.—Was there any railway east of the Suez Canal before the war?

A.—There was no railway immediately east of Suez. The nearest lines east of that place were those in Palestine, and the famous railway which ran from Damascus to Mecca.

Q.—How many whites are there in New Guinea.

A.—It is impossible at the moment to obtain particulars as to the number of whites resident in the whole of New Guinea. that is to say in the three divisions of the island, Dutch, German and Australian. In the Australian portion, known as Papua, the white population on June 30th, 1916, was 992, made up of 647 adult males and 216 adult females. There were 64 boys and 65 girls amongst the whites. generally estimated that the number of natives is somewhere between 400,000 and 500,000. Of the adult male Europeans 115 were planters or managers of plantations, 108 were miners, 75 were missionaries and 105 were Government officials and employees.

Q.—On what date did the population of the Commonwealth pass the 4,000,000 mark?

A.—In 1904 the total population of the Commonwealth was 3,974,150. The next year it was 4,032,977, and in 1915 it was 4,931,988. In 1788, the total population was 859, and in the following year it was 645. In 1800 it was 5217, in 1820 it was 33,543; in 1840 it was 190,408; in 1860 it was 1,145,585; in 1880 it was 2,231,531, and in 1900 it was 3,765,339.

Q.—Are you not incorrect in stating that he "Titanic" was the largest ship in the world at the time she sank? The "Imperator," of the Hamburg-American Line, was, I think, 50,000 tons, and was making Atlantic trips before the "Titanic"?

A .- The Titanic was the largest ship in the world when she set sail for America, and had a higher tonnage than any other vessel then in commission. Her exact tonnage was 46,382. She sank on April 15th, The Imperator was at that time being built. She started her maiden trip on June 11th, 1913. Her total tonnage was 52,000, and she was unique in many respects, having four captains and a crew of 1180. In addition to rest rooms, music rooms, gymnasium and other latest luxuries. she had a Roman bath 65 feet long, and 41 feet wide. The Vaterland was 56,000 tons; the Aquitania, built by the Cunard Company, and magnificently equipped, which was put into commission just before the war, was 48,000 tons. The Columbus, of the North German Lloyd line, was 55,000 tons. The Olympic, sister ship to the Titanic, was slightly smaller, 45,000 tons. The Brittanic was 48,000 tons, not 54,000 as mentioned in our September 21st number.

Q.—What was the value of the luxuries imported into the Commonwealth of Australia in 1917-18?

A.—It is rather difficult to say what is a luxury and what a necessity. For instance, motor cars may be put down as a luxury, but they are undoubtedly helping to develop the country. Silk could presumably be done without, but its place would have to be taken by cotton or some similiar substance which would also have to be im-

ported. The Protectionist Association of Australia has compiled the following list of luxuries, which it suggests should be cut out altogether during war time. It is worth noting, however, that much of the revenue of the Commonwealth is derived from Customs duties levied on these very articles:—

CIII		~
		2,115,22
		1,010,02
	• • •	226,49
		255,34
Ornaments for Hats		470,86
		238,76
		98,30
		312,58
		500,00
		200,12
		211,33
		326,92
Bags, Purses, etc		131,11
		394,51
		296,80
		44,63
		30,46
		157,36
		410,77
		1,141.57
		174,88
Whisky		1,039,60
		58.58
Manufactured Tobacco		41,21
Manufactured Tobacco		93,36
Cigars and Cigarettes		127,17
		204,43
Confectionery		53.51
Fish		853,92
Fruit		245,80
Meat		167,14
Nuts		101,05
Pickles		04,02
		752,03
Matches		205,07
		121,43
Petrol (motor spirit)		1,359,61
		1,157,39
	-	

Total £15,515,410

Q.—What is the position of a soldier who, having been captured by his opponents, dons their uniform and fights against his former comrades?

A.—If he is captured he is regarded as a deserter and traitor, and suffers the death penalty. The Austrians have executed Czechs and others who donned the Italian uniform, and were captured by them. Such executions are permitted by the rules of war.

Q.—Does Germany to any large extent depend for her coal on the mines of Luxemburg, Belgium and Alsace-Lorraine?

A.—Part of the great Saar coalfield is in Lorraine, but the bulk of Germany's supply is drawn from the mines of West-

phalia, Silesia and Saxony. There are also deposits in Upper Bavaria, Baden, Harz and elsewhere. The Westphalian mines are estimated to contain 45,000,000,000 tons of coal. The Saar coalfield is estimated to contain 45,400,000,000 tons, the greater part of which is in Prussia, not in Lorraine, The Silesian fields are estimated to contain 50,000,000,000 tons. Luxemburg and Alsace-Lorraine are vital to Germany, because of the ironfields there, not because of the coal. It is interesting to note that, whereas in 1880 Germany produced only 50,000,000 tons of coal to the 140,000,000 tons produced by Great Britain, the German production in 1913 was 273.650,000 tons, that of the United Kingdom 287,410,000 tons.

Q.—What are the insurance provisions of the American Government for soldiers?

A .- The policies range from 1000 to 10,000 dollars, and the age limit is 15 to 65. All officers and men of both branches of the service are eligible. The premium is based on age. A man of 30 on a 1000dollar policy pays 60 cents a month; a man of 40 pays 80 cents a month, and a man of 20 pays 65 cents. The policy is pavable to the insured, if wholly disabled, in monthly instalments, or to his heirs at his death. Protection is not limited to injuries received whilst carrying out military or naval duties, and can be carried on for five years after the close of the war. Ninety per cent. of the soldiers enlisted have insured for the maximum amount-£,2000.

Q.—Was the author of the "Marseillaise" guillotined by the revolutionists?

A.—Rouget de Lisle, the author of the Marscillaise, was arrested some months after writing this great song of the Republic, and was only saved from the guillotine by the fall of Robespierre. He was a Royalist, and refused to take part in the revolutionary wars of France. He again came to the fore in the July revolution which gave the throne to Louis Philippe, who made him a Chevalier of the Legion of Honour. Rouget de Lisle was a captain of engineers in the garrison at Strasburg, when he wrote the national hymn. both words and music. It was sung for the first time by Dietrich, Mayor of Strasburg, and was called the "War Song of the Army of the Rhim."

Q.—Could you tell me when and how Great Britain acquired Cibraltar, Aden and Malta?

A .- Gibraltar was taken from Spain by the allied British and Dutch forces after three days' siege on July 24th, 1704. It was captured on behalf of Charles, Archduke of Austria, but the British Admiral, on his own responsibility, hoisted the British flag, and annexed the place in the name of Queen Anne. The Spaniards made great efforts to recapture the Rock during the following years, but without success. During the American War of Independence, however, the Spaniards seized the opportunity of getting back their fortress, and besieged it for four years. This is regarded as one of the most memorable sieges of history. In the end peace was made between Great Britain, France and Spain, the fortress being still in British hands. It has remained there ever since. Aden has been an important station on the trade route between Europe and India for centuries. It was captured by the Romans in 24 B.C. The Portuguese attacked it unsuccessfully in 1513, and the Turks finally conquered it in They relinquished their conquest during the following century, and the Sultan of Sana took possession of it until the year 1735, when the Sheik of Lahei, throwing off his allegiance, founded a line of independent Sultans. Two years later a ship, under British colours, was wrecked near Aden, and the crew and passengers were grievously maltreated by the Arabs. The Bombay Government demanded compensation, and the Sultan undertook to sell his town and port to the English. His son refused to carry out the arrangement, and a combined naval and military force was therefore despatched, and the place was captured and annexed to British India on January 16th, 1839. Malta was seized by Napoleon on his way to Egypt, no resistance being offered by the Knights of St. John, who had been in occupation since 1530. They had made the island a great bulwark against Turkish aggression, and successfully checked the advance of Mahommedan power in southern and western Europe. The Maltese rebelled against the French, and called on Nelson for help. British troops were landed, and took possession without much trouble. The Treaty of Amiens in 1802 provided for the restoration of the island to the Order of St. John, but England actually renewed the war with France sooner than give up the island. The Treaty of Paris in 1815 confirmed Great Britain in possession.

Q.—What was the profit made by the Bank of England referred to in the Financial Notes in your last number?

A.—The Select Committee on National Expenditure states that the net remuneration of the Bank of England for services rendered to the Government, as settled in 1892 by the last general agreement, was estimated to amount to about £,200,000 a year. This was derived in various ways, and even before the war the figure mentioned had been largely exceeded. But the war resulted in a much larger profit to the bank, partly as a result of increased charges for debt management, partly owing to largely increased balances, so that the profit for 1916-17, before deduction of income tax and excess profits duty, was not less than £,1,500,000, whilst that for the preceding year was even more. The Committee considered that this rate of remuneration, representing as it does 10 per cent. on the proprietors' capital, is greatly in excess of what circumstances require, and the agreement referred to, which will secure a total reduction of £750,000, was entered into. The Committee states that there is not sufficient data to show whether even this large saving is large enough, and they recommend that the point should receive the closest consideration of the Treasury.

Q .- Are Japanese judges well paid?

A.—The pay of Japanese judges is so poor—ranging from £60 to a maximum of £400 a year—that the bench is chiefly occupied by young lawyers who merely accept the post as an experience and a stepping stone to more lucrative practice at the bar.

Q.—Is the Channel tunnel still under consideration?

A. A resolution, suggesting to the Gov-ernments of France and Great Britain that the construction of the Channel Tunnel should be proceeded with as soon as possible was carried at the recent Inter-Allied Parliamentary Commercial Conference in London, the proposal being supported vigorously by M. Luiggi (Italy) and M. Honnorat (France). Sir Arthur Fell, Chairman of the House of Commons Channel Tunnel Committee, after reviewing the advantages in regard to the consignment of merchandise, said that they could not, even on an extremely conservative estimate, compute at less than 65 per cent., the percentage of passengers' who would take the tunnel in preference to the sea routes. At 10 - per head 1,560,000 passengers would yield receipts amounting to £780,000, to which must be added £78,000 for luggage, £40,000 for postal service, and £640,000 for goods traffic. To accommodate the great European express trains the diameter of the tunnel would be 18 feet. The cover would be 100 feet, thus protecting the tunnel against mines, and provision would be made, in case of emergency, to flood it with water for a length of a mile. Expresses would run direct from London to Paris in less than six hours, and could travel at intervals of not more than five or ten minutes.

Q.—I hold foreign and colonial stocks and shares in England, the dividents on which have been collected for me and my bank there. Am I entitled to a refund of the British income tax, and it so, how much? I have not been living in the United Kingdom for over four years, and have not, therefore, been able to see to the matter myself when the dividends fell due.

A.—No exemption or other relief dependent on total income is given to person not residing in the United Kingdom, with the following exceptions: Present or former servants of the Crown; widows in receipt of pension granted in consideration of the employment of their late husbands in the service of the Crown; missionaries; servants of the native States under British protection; residents in the Channel Islands or the Isle of Man, and persons residing abroad for their health

Q.—If I enrol under the ballot system, would I be allowed six weeks from the day I am drawn before I enter camp, to enable me to adjust my household affa.rs?

A.—Yes, provided the present regulations are not altered. If drawn in the ballot you cannot insist on entering a special branch of the military service, but may express a preference, and if considered suitable would receive every consideration should a vacancy occur. You would not be granted non-combatant fighting, even if you agree to do any task, no matter how dangerous, unless you are a clergyman.

Q.—How many British subjects were there in America subject to the draft who had not volunteered before the United States entered the war?

A.—The British authorities estimated that there were about 20,000 British subjects in the United States who would come under the draft. They are drafted between the British limits, 20 to 41, not between the American, 21 to 30.

Q.—If the Germans sink requisitioned German ships, who will pay for them in the end?

A .- If this matter were not complicated by public feeling, quarrels over violations of international law, etc., the answer would be simple. The Power that requisitioned them would to pay. The legal argument is as follows :- (1) The German ships sheltered in neutral ports-of the United States, Italy, Portugal, Brazil, etc.-and in so doing they exercised their good right and it was the duty of the neutral to shelter them. (2) When the United States and other countries declared war against Germany the German merchant shipping in their ports occupied the position of being vessels entitled to immunity from prize capture under the international law that a belligerent may not make prize of enemy merchant ships that happend to lie in his ports at the outbreak of hostilities. (3) The only right the United States, Italy, Portugal, Brazil and the rest had against these vessels was to requisition them. That right was exercised. Requisition, however, does not carry ownership with it; on the contrary, responsibility both for safety and for the use of requisitioned property is thrown on the requisitioning Power. Under international law, therefore, the owners of the requisitioned ships have the right to collect from the Powers who requisitioned them whatever may be justly due for the use of their ships, their depreciation and damage.

Q.—Were the Baltic Provinces ever independent?

A.—Only in a very general sense. They formed one State, Livonia, but in one way or another it was always ruled or tributary. In 1561 the State was finally broken up, part-now belonging to the Russian province of Vitebsk-being annexed to Poland; part-Livonia and Esthonia-being appropriated by Sweden; and part-Courland-being constituted as a duchy under the suzerainty of the King of Poland. In the end, after the defeat of Sweden by Russia, and the partition of Poland, all the provinces fell under Russian rule. The Germans ruled the provinces longer than anyone else, and impressed their culture most permanently of all. They came there in the thirteenth century, first as conquerors, then as colonisers. All the chief cities -Riga, Reval, Dorpat-were founded by them, and the trade of these places has remained in the hands of men of German descent.



INTERIOR FICTION.*

What kind of stories shall we like to tread when the war is over and we turn to look for our familiar world again? Shall we any longer enjoy, as we did before, the fine workmanship of Mr. Galsworthy, or the following of his sympathetic eye where it notes—as in the first of the Five Tales—the creep and flutter and start of the thoughts of a sensitive man who has committed a murder, and then the thoughts of the murderer's highly reputable brother whose conscience is mainly his reputation? Will the war have put an end to the psychological school?

The distinction here is not between the romantic and the realistic, but between the simple, objective and direct, and the multiple, subjective and indirect. The line of fiction from Cervantes to Fielding, Scott and Dickens had its own realisms, but it dealt with the broader and more patent phases of humanity without much subtlety and from the outside. It was forthright, muscular, masculine and commonly touched or fused with humour. It was perhaps as simple-hearted as simpleminded. Where it meant to be tragic it was all too apt to be sentimental. On the other hand, the novel of meticulous interior detail-Richardson, Flaubert, the Russians, James, and so on to Mr. Galsworthy-was like whispering secrets in a close room, not like the open road and the free jostle of men wherever its scenes might be located. Mr. Conrad's work is romantic, and all over the seven seas, but it is as multiple, indirect and interior as Henry James, and it whispers as extraordinary secrets in almost as shadowy a manner.

Now, if one were to hazard a guess, it would be that we shall react toward the simple and direct, that we shall beg our novelists to be Fieldings if they can, and

not Richardsons unless they have to be. The guess might venture further, that we shall have less taste than before, not only for those who chronicle small moments, minute events and casuistical motives, but in general for all who paint the world as a pestilential congregation of vapours, a sterile promontory inhabited by an undelightful quintessence of dust. Not that human society may not be truthfully so painted and chronicled, but that we may have grown out of liking for over-much of that kind of Those who have been in the trenches will hardly care for trenches of the imagination. Is it not likely that we shall discover in ourselves-as John Bunyan discovered in himself-a great hunger "to sit in the sunshine," a great thirst for conceiving the earth-as quickly as the thing can be brought about -as after all a goodly frame with a brave overhanging firmament fretted with golden fire, and inhabited by creatures excellent in faculty, in form and movement express and admirable, the beauty of the world, the paragon of animals?

After all this is just as true as the other. Mr. Galsworthy's fourth tale closes with a vision of life as a "deep dark slit of a street," where oneself and the other midgets walk between confining walls which are "too high for oneno getting out on top. We've got to be kind, and help one another, and not expect, and not think too much, that's all." But indeed that's not all. It is no more like walking in a deep dark slit of a street than like skipping over the high starlit housetops. It is like neither, either and both. Or else one must hold that the pavements are more actual than the stars, and that a man cannot be sincere unless he is discouraged.

The second tale is called *The Stoic*, and has for a motto "Aequam memento rebus in arduis servare mentem"; and

^{*&}quot; Five Tales," by John Galsworthy. Charles Scribner's; 6/-.

the motto of the third tale is "the appletree, the singing and the gold " from Murray's Euripides. But the one takes us into no cool urbane Horatian atmosphere. Roman stoicism may have had often enough much of this grim bulldog grit, this "game to the last," "myself unashamed" and "you-be-damned." but it is not Greek or Horatian. "Aeguam memento" is severe and sunlit. Hand in hand with the Horatian "Integer vitæ," it becomes something like the text from which Samuel Pepvs heard a sermon preached in the Temple church: "For the wisdom from above is first pure, then peaceful." "The appletree, the singing and the gold "-will it not be the very thing we shall hunger and thirst for "as the hart panteth after the waterbrooks" when the war is over, and we turn back to our books, our reveries under green leaves or by the winter fires? And Mr. Galsworthy does not give at all

"the appletree, the singing and the gold," but only a middle-aged man's regrets for his youth. When once this thing fell in his way, or something that looked like it, he had the folly—or the wisdom, for it depends on one's philosophy or temperament—to miss it.

Two of the stories tell of the last days of two-in a way-rather fine old men, a stoic and-in Indian Summer-an epicurean, and it is all so well done. The probability that the near coming years will see the predominance of another school does not do away with the probability that Mr. Galsworthy will be remembered as one of the masters of the fiction of his day and kind. He has not lost his skill, nor has our admiration ceased. Only one has to note the faint presence of a premonitory distaste, a diminished gusto for artistic diagnosis. a symptom and " vaunt courier " of coming changes in ourselves.

ONE CROWDED HOUR.*

Sydney de Loghe is certainly one of the most promising of Australia's writers, and even in this booklet he is able to demonstrate his ability, despite the fact that the sketches were written solely in order to stimulate recruiting. In The Straits Impregnable he gave us the most brilliant account of the great Gallipoli venture which has yet appeared, and followed that volume up by a novel whose scene was laid in the backblocks of Oueensland. The descriptive work therein was splendidly done, and the character drawing excellent. In fact, Pelican Pool (Angus & Robertson, 5/-). will in time come to be regarded as one of the best portrayals of Australian life yet written. Possibly some of his characters seem rather improbable, but no one would dare to say they were unreal, and Mr. de Loghe contrives to give each an individuality which compels attention, and carries conviction that just such people do live—and die—in the bush, in places undreamed of by the mass of the people.

In One Crowded Hour, he shows his versatility by making his appeals for recruits intensely readable. He "gets there every time, and in some of the essays—especially "They Also Serve" and "The Day's Work"—he appeals to a wider public than the eligible young man. In the latter he asks, "What have you done? Have you stifled one desire that some soldier in France may go more comfortably? Have you stopped once in the day's work to do something, be it remote, to help us hold up the gate?" These are questions which come home to all of us. Do we take heed of them? Those who read Sydney de Loghe's work cannot but feel that he has a great future before him, for not only has he imagination and ideas, but has the skill to put on paper in most readable form what he thinks and what he has seen.

^{*}By Sydney de Loghe. (Australasian Authors' Agency; 1/-.)

The Winds of Chance

By REX BEACH.

Author of "The Barrier." "The Iron Trail." "The Ne'er-do-well." "The Silver Horde," etc.

CHAPTER XXXII.-(Continued).

The dingy cabin was fragrant with the odour of cooking food for a second time that evening when the sound of voices and a knock at the door brought both old men to their feet

Before they could answer, the door flew open and in out of the frosty evening came Rouletta Kirby and Poleon Doret. The girl's cheeks were rosy, her eyes were sparkling, she warmly greeted first one partner then the other. Pausing she sniffed the air hungrily.

'Goody!" she cried. "We're just in time. And we're as hungry as bears.

"Dis gal ain't never got 'nough to eat since she's seeck in W'ite 'Orse," 'Poleon laughed. "For las' hour she's been sayin' 'Hurry! Hurry! We 'goin' be late.' I mos' keel dem dog.'

Linton's seamed face softened, it cracked into a smile of genuine pleasure, there was real hospitality and welcome

in his voice when he said:

"You're in luck, for sure. Lay off your things and pull up to the fire. It won't take a jiffy to parlay the ham and coffee-one calls three, as they say. No need to ask if you're well; you're prettier than ever, and some folks would call that impossible."

Jerry nodded in vigorous agreement. "You're as sweet as a bunch of jessamine, Letty. Why, you're like a breath of spring. What brought you out to see us anyhow?"

"Dat's long story," 'Poleon answered. "Sapre! We got plenty talkin' to do. Letty she's goin' he'p you mak' de supper now. an' I fix dem dog. We goin' camp wit' you all night. Golly!

The newcomers had indeed introduced a breath of new, clean air; of a sudden the cabin had brightened, it was vitalised, it was filled with a magic purpose and good humour. Rouletta flung aside her furs and bustled into the supper preparations; soon the meal was ready. The first pause in her chatter came when she set the table for four and when Jerry protested that he had already dined. The girl paused, plate in hand. "Then we were late and you didn't tell us," she pouted reproachfully.

"No. I got through early, but Tom -he was held up in the traffic. You see I don't eat much anyhow. I just nibble around and take a cold snack where I

can get it."

"And you let him!" Rouletta turned to chide the other partner. "He'll come down sick, Tom, and you'll have to nurse him again. If you boys won't learn to keep regular meal hours I'll have to come out and run your house for you. Shall I? Speak up! What am I offered?"

Now this was the most insidious flattery. "Boys" indeed. Jerry chuckled, Tom looked up from the stove and his smoke-blue eves were twinkling. can't offer you more'n a half interest in

the lay.' That's all I own.'

"Is dis claim so reech lak people say?" 'Poleon inquired, "Dev're tellin' me you goin' mak' hondred t'ousan' dollar." "We're just breastin' out—cross-cut-tin' the streak, but—looky," Jerry removed a baking-powder can from the window shelf and out of it he poured a considerable amount of coarse gold which the visitors examined with intense interest. "Them's our pannin's."

"How splendid!" Rouletta cried.

"I been clamourin' to hire some men and take life easy. I say put on a gang and h'ist it out, but—" Jerry shot a glance at his partner, "people tell me I'm vi'lent an' headstrong. They say 'prove it up.'"

Linton interrupted by loudly exclaiming, "Come and get it, strangers, or I'll

throw it out and wash the skillet.

Supper was welcome, but, despite the diners' preoccupation with it, despite Tom and Jerry's effort to conceal the fact of their estrangement, it became evident that something was amiss. Rouletta finally sat back, and, with an accusing glance, demanded to know what was the matter.

The old men met her eyes with an assumption of blank astonishment.

"'Fess up," she persisted. "Have you boys been quarrelling again?".

'Who? Us? Why, not exactly-

"We sort of had words, mebbe."

" What about?"

There was an awkward, an ominous silence. "That," Mr. Linton said in a harsh and firm voice, "is something I can't discuss. It's a personal matter.'

"It ain't personal with me," Jerry announced carelessly. "We was talkin' about Tom's married life and I happened

to say-"

" Don't!" Linton's cry of warning held a threat. "Don't spill your indecencies in the presence of this child or-I'll hang the frying-pan around your The truth is," he told Letty, "there's no use trying to live with a horn' toad. I've done my best. let him defame me to my face and degrade me before strangers, but he remains hostyle to every impulse in my being: he picks and pesters and poisons me a thousand times a day. And snore! My God! You ought to hear him at night!"

Strangely enough Mr. Quirk did not react this passionate outburst. On the contrary he bore it with indications of a deep and genuine satisfaction. workin' up steam to propose another divorce," said the object of Tom's tirade. divorce," said the object of Tom's tirade.

Linton growled.

"IVhoop-ee!" Jerry uttered a high-pitched shout. "I been waitin' for that. I wanted him to say it. Now I'm free as air and twice as light. You heard him propose it, didn't you?"

"W'at you goin' do 'bout dis lav?"

'Poleon inquired.

"Split her," yelled Jerry.

"Dis cabin, too?"

"Sure. Slam a partition right through her."

"We won't slam no petition anywhere," Tom declared. going to lay awake every night listening to distant bugles? No. We'll pull her apart, limb from limb, and divvy the logs. It's a pesthouse, anyhow. I'll burn my share.

Tom's positive refusal even to permit mention of the cause of the quarrel rendered efforts at a reconciliation difficult; 'Poleon and Rouletta's attempts at badinage, therefore, were weak failures, and their conversation met with only the barest politeness. Now that the truth had escaped neither partner could bring himself to a serious consideration of anything except his own injuries. They exchanged evil glances, they came into direct verbal contact only seldom, and when they did it was to clash as flint upon steel. No statement of the one was sufficiently conservative, sufficiently broad, to escape a sneer and an immediate refutation from the other. Evidently the rift was deep and was widening rapidly.

Of course the facts were revealed eventually-Rouletta had a way of winning confidences, a subtle, sweet persuasiveness-they had to do with the former Mrs. Linton, that shadowy, female figure which had fallen athwart Tom's early life. It seemed that Jerry had referred to her as a "hellion"

Now the injured husband himself had often applied even more disparaging terms to the lady in question, therefore the visitors were puzzled at his show of rabid resentment; the most they could make out of it was that he claimed the right of disparagement as a personal and exclusive privilege, and considered detraction out of the lips of another a trespass upon his intimate private affairs; an aspersion and an insult. The wife of a man's bosom, he averred, was sacred; any creature who breathed disrespect of her into the ears of her husband was lower than a hole in the ground and lacked the first qualifications of a friend, a gentleman, or a citizen.

Jerry, on the other hand, would not look at the matter in this light. Tom had called the woman a "hellion," therefore he was privileged to do the same, and any denial of that privilege was an iniquitous encroachment upon his sacred rights. Those rights, he proposed to safeguard, to fight for if necessary. He would shed his last drop of blood in their defence. No cantankerous old grouch could refuse him free speech and get away with it.

"You're not really mad at each other," Rouletta told thens.

"Ain't we?" they hoarsely chorused.

She shook her head. "You need a change, that's all. As a matter of fact, your devotion to each other is about the most beautiful, the most touching thing I know. You'd lay down your lives for cach other; you're like man and wife, and well you know it."

"Who? Us?" Jerry was aghast. "Which one of us is the woman? I been insulted by experts but none of 'em ever called me 'Mrs. Linton.' She was a tough customer, a regular hellion-

"He's off again!" Tom growled. "Me lay down my life for a squawking parrot! He'll repeat that pet word for the rest of time if I don't wring his neck."

"Mebbe so you lak hear 'bout some other feller's trouble," 'Poleon broke in diplomatically. "Wall, ma soeur, slie's come to you for help, queeck.'

Both old men became instantly alert, "You in trouble?" Tom demanded of the girl. "Who's been hurting you, I'd like to know?"

Jerry, too, leaned forward and into his widening eyes came a stormy look. "Sure! Has one of them crawlin' worms got fresh with you, Letty? Say-" He reached up and removed his sixshooter from its nail over his bed.

Rouletta set them upon the right track; swiftly but carnestly she recited the nature and the circumstances of the misfortune that had overtaken Pierce Phillips and of the fruitless efforts his friends were making in his behalf: she concluded by asking her hearers to go his bail.

"Why, sure!" Linton exclaimed with manifest relief. "That's easy. I'll go

it, if they'll take me.

"There you are, hoggin' the curtain, as usual," Jerry protested. "I'll go his bail, myself. I got him in trouble at Sheep Camp. I owe him——"

"I've known the boy longer than you have. Besides, I'm a family man: I know the anguish of a parent's heart

"If you'd lay off the 'family' subject we'd get along better."

Once again the fray was on; it raged intermittently throughout the evening, it did not die out until bedtime put an end to it.

CHAPTER XXXIII.

OULETTA and her three com-panions were late in reaching town on the following day, for they awakened to find a storm raging and in consequence the trails were heavy. Out of this white smother they plodded just as the lights of Dawson were be-ginning to gleam. Leaving the men at the Barracks, the girl proceeded to her hotel. She had changed out of her trail clothes and was upon the point of hurrying down-town to her work when she encountered Hilda Courteau.

"Where in the world have you been?"

the latter inquired.

"Nowhere, in the world," Rouletta smiled. "I've been quite out of it." Then she told of her and 'Poleon's trip to the mines and of their success. "Pierce will be at liberty inside of an hour," she declared.

"Well, I've-learned the truth."

Rouletta started: eagerly she clutched at the elder woman. "What? mean---?"

"Yes. I wrung it out of Courteau. He confessed.'

" It was a frame-up-a plot? Oh, my dear-!"

"Exactly. But don't get hysterical. I'm the one to do that. What a night, what a day I've put in!" The speaker shuddered, and Rouletta noticed for the first time how pale, how ill she looked.

"Then Pierce is free already? He's

out---?" "Not yet. I'll tell you everything if you'll promise not to breathe a word. not to interfere, until Henri has a chance to square himself. I-think I've earned the right to demand that much. I told you the whole thing was counterfeitwas the work of Joe McCaskey. I couldn't believe Henri was up to such villainy. He's dissolute, weak, vain-anything you choose—but he's not voluntarily criminal. Well, I went to work on him. I pretended to-" the Countess again shivered with disgust. "Oh, you saw what I was doing. I hated myself, but there was no choice. Things-

[&]quot;Lay off that family stuff," howled Mr. Quirk. "You know it riles me. could of had as much of a family as you had if I'd wanted to. You'd think it gives you some sort of privilege. Why, ever since we set up with Letty you've assumed a fatherly air, even to her, and you act like I was a plumb outsider. You remind me of a hen-settin' on every loose doorknob you find."

came to a climax last night. I don't like to talk about it-think about it-but you're bound to hear: I consented to go out with him. He dragged me through the dance-halls and the saloons-made me drink with him, publicly, and with the scum of the town." Noting the expression on her hearer's face the Countess laughed shortly, mirthlessly, "Shocking, wasn't it? Low, indecent, wretched? That's what everybody is saying. Dawson is humming with it. God! How he humiliated me. But I loosened his tongue. I got most of the details-not all, but enough. It was late, almost daylight, before I succeeded. He slept all day, stupefied, and so did I when I wasn't too ill."

"He remembered something about it, he had some shadowy recollection of talking too much; when he woke up he sent for me. Then we had it. He denied everything, of course. He lied and he twisted, but I'm the stronger—always have been. I beat him down, as usual. I could have felt sorry for the poor wretch only for what he had put me through. He went out not long ago."

"Where to? Tell me—"
"To the Police, to Colonel Cavendish.

I gave him the chance to make a clean breast of everything and save his hide, if possible. If he weakens I'll take the bit in my teeth."

Rouletta stood motionless for a moment, then, in deep emotion, she exclaimed: "I'm so glad! And yet it must have been a terrible sacrifice. I think I understand how you must loathe yourself. It was a very generous thing to do, however. Not many women could have risen to it."

"I—hope he doesn't make me tell. I haven't much pride left but—I'd like to save what remains, for you can imagine what Cavendish will think. A wife betraying her husband for her—for another man! What a story for those women on the hill."

Impulsively Rouletta bent forward and kissed the speaker. "Colonel Cavendish will understand. He's a man of honour. But, after all, when a woman really—cares, there's a satisfaction, a compensation in sacrifice, no matter how great."

Hilda Courteau's eyes were misty, their dark-fringed lids trembled wearily shut. "Yes," she nodded. "I suppose so. Bitter and sweet! When a woman of my sort, my age and experience, let herself really care she tastes both. All I can hope is that Pierce never learns what he made me pay for loving him. He wouldn't understand—yet." She opened her eyes again and met the earnest gaze bent apon her. "I daresay you think I feel the same toward him as you do, that I want him, that I'm hungry for him. Well, I'm not. I'm 'way past that. I've been through fire, and fire purifies. Now run along, child, I'm sure everything will come out right."

The earlier snowfall had diminished when Rouletta stepped out into the night, but a gusty, boistrous wind had risen and this filled the air with blinding clouds of fine, hard particles, whirled up from the streets, and the girl was forced to wade through newly formed drifts that rose over the sidewalks, in places nearly to her knees. The wind flapped her garments and cut her bare cheeks like a knife; when she pushed her way into the Rialto and stamped the snow from her feet her face was wet with tears. But they were frost tears; she dried them quickly, and with a song in her heart she hurried back to the lunchcounter and climbed upon her favourite stool. There it was that Doret and his two elderly companions found her.

"Well, we sprung him," Tom announced.

"All we done was sign on the dotted line," Jerry explained. "But say, if that boy hops out of town he'll cost us a lot of money."

"How's he going to hop out?" Tom demanded. "That's the worst of this country, there's no getting away."

Jerry snorted derisively. "No gettin' away? What are you talkin' about? Ain't the Boundary within ninety miles? Ain't pleuty of people made getaways? All they need is a dog team and a few hours' start of the Police."

"Everyt'ing's all fix," 'Poleon told his sister. "I had talk wit' Pierce: he ain't comin' back here no more."

"Not coming back?" the girl ex-

Doret met her startled gaze. "Not in dis kin' of place. He's cut 'em out for good. I mak' him promise."

"A touch of jail ain't a bad thing for a harum-scarum kid," Tom volunteered as he finished giving his supper order



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"It's a cold compress—takes down the fever——"

"Nothing of the sort," Jerry asserted, that is a total waste of time I don't believe in 'em. You think this boy's tamed, do you? Well, I talked with him an' all I got to say is this: keep Courteau away from him or there's one Countyou'll lose count of. The boy's got pizen in him, an' I don't blame him none. If I was him I'd make that Frog hop. You hear me."

'Poleon met Rouletta's worried glance with a reassuring smile. "I been t'inkin' 'bout dat, too. W'at you say I go pardners wit' him, eh? I got good dog-team an' fine claim on hilltop. S'pose I geeve

him half interes' to go wit' me?"

"Will you?" eagerly queried the girl.

"Already I spoke it to him. He say
mebbe so, but firs' he's got li'l biznesse

here."

"Of course! His case. But that will be cleared up, mark what I say. Yes," Rouletta nodded happily, "take him with you, 'Poleon—out where things are clean and healthy and where he can get a new start. Oh, you make me very happy!"

The woodman laid a big hand gently over hers, in a low voice he murmured: "Dat's all I want, ma soeur—to mak' you happy. If dat claim is wort' million dollar it ain't too much to pay, but—I'm

scarce' she's 'noder bum."

The song was still sounding in Rouletta's heart when she sat down at the faro table and all through the evening it emed to her that the revelry round about was but an echo of her gladness. Pierce was free, his name was clean. Probably 'ere this the whole truth was known to the Mounted Police and by to-morrow it would be made public.

Moreover, he and 'Poleon were to be partners. That generous woodsman, because of his affection for her, proposed to take the young fellow into his heart and make a man of him. That was like him, always giving much and taking little. Well, she was 'Poleon's sister; who could tell what might result from this new union of interests? Of course, there was no pay out there on that mountain crest, but hard work, honest poverty, an end of these demoralising surroundings were bound to affect Pierce only for the better. Rouletta blessed the

name of Hilda Courteau who had made this possible, and of 'Poleon' Doret, too —'Poleon of the Great Heart, who loved her so sincerely, so unselfishly. He never failed her; he was a brother, truly—the best, the cheeriest, the most loyal in the world. Rouletta was amazed to realise what a part in her life the French Canadian had played. His sincere affection was about the biggest thing that had come to her, so it seemed.

Occupied with such comforting thoughts Rouletta failed to note that the evening had passed more quickly than usual and that it was after midnight. When she did realise that fact, she wondered what could have detained Lucky Broad. Promptness was a habit with him; he and Bridges usually reported at least a half-hour ahead of time.

She caught sight of the pair finally, through the wide archway, and saw that they were surrounded by an excited crowd, a crowd that grew swiftly as some whisper, some intelligence, spread with electric rapidity through the bar-room. Yielding to a premonition that some-thing was amiss Rouletta asked the look-out to relieve her, and rising she hurried into the other hall. Even before she had come within sound of Lucky's voice the cause of the general excitement was made known to her. It came in the form of an exclamation, a word or two snatched out of the air. "Courteau!" "Dead!" "Shot—back street—body just found!"

Fiercely Rouletta fought her way through the press, an unvoiced question trembling upon her lips. Broad turned at her first touch.

"Tough, ain't it?" said he. "Me and the Kid stumbled right over him—kicked him out of the snow. We thought he'd been froze."

"We never dreamed he'd been shot till we got him clean down to the drugstore," Bridges supplemented. "Shot in the back, too."

Questions were flying back and forth now; profiting by the confusion Rouletta dragged Broad aside and queried breathlessly:

" Was he dead-quite dead?"

"Oh, sure!"

"Who—shot him?" The question came with difficulty. Lucky stared at his interrogator queerly, then he shrugged. "Quien sabe? Nobody seen or heard the shooting. He'd been croaked a long while when we found him."

For a moment the two eyed each other silently. "Do you think—?" Rouletta turned her white face toward the

cashier's cage.

"More'n likely. He was bitter—he ntade a lot of cracks around the Barracks. The first thing the Police said when he notified 'em was: 'Where's Phillips?' We didn't know the boy was out until that very minute or—we'd 'a' done different. We'd 'a' left the Count in the drift and run Phillips down and framed an alibi. Think of us, his pals, turnin' up the evidence!" Lucky breathed an oath.

"Oh, why——?" moaned the girl.
"He—— It was so useless. Everything was all right. Perhaps—after all, he

didn't do it."

"You know him as well as I do. I'm hoping he had better sense, but—he's got a temper. He was always talking about the disgrace."

"Has he gone? Can't you help him? He might make the Boundary—"

Broad shook his head. "No use. It's too late for that. If he's still here me'n the Kid will do our best to swear him out of it."

Rouletta swayed, she groped blindly at the bar rail for support, whereupon her companion cried in a low voice: "Here! Brace up, or you'll tip it all off. If he stands pat, how they going to prove anything? The Count's been dead for hours. He was all drifted—"

Broad was interrupted by the Mocha Kid who entered out of the night at that instant with the announcement: "Well, they got him! Rock found him, and he denies it, but they've got him at the Barracks puttin' him through the third degree. I don't mind sayin' that Frenchman needed croakin' bad, and they'd ought to give Phillips a vote of thanks and a bronx tablet."

Mocha's words added to Rouletta's terror, for it showed that other minds ran as did hers. Already, it seemed to her, Pierce Phillips had been adjudged guilty. Through the murk of fright, of apprehension, in which her thoughts were racing there came a name—Poleon Doret. Here was deep trouble, grave peril, a threat to her new-found happiness. 'Poleon, her brother, would know what to do, for his head was clear and his judgment was unerring. He never failed her. Blindly she ran for her wraps, hurriedly she flung them on, then plunged out into the night. As she settried

judgment was unerring. He never failed her. Blindly she ran for her wraps, hurriedly she flung them on, then plunged out into the night. As she scurried through the street, panie-stricken, beset, one man's name was in her thoughts but another's was upon her lips. Over and over she kept repeating:

" 'Poleon! Oh, 'Poleon!"

(To be continued in our next number-November 2, 1918.)

FINANCIAL NOTES.

It is asserted in a recent number of the London Statist that the U.S.A. Government proposed to put pressure upon the banks to compel a more equitable subscription for Indebtedness Certificates by publishing the names of the institutions and the amount they were subscribing. The certificates were convertible into the fourth Liberty Loan, the campaign for which has recently opened.

Proposed luxury taxes in U.S.A. include 50 per cent, on the retail price of jewellery, including watches and clocks, except those sold to army officers, 20 per cent, on automobiles, bicycles, etc., and on musical instruments, and 10 per cent, on collections from the sales of vending machines and on hotel and restaurant bills above a certain rate. It is also proposed to double the existing rates on alcoholic beverages of all kinds, tobacco and eigarettes, theatre admissions and club membership dues, license taxes on passenger automobiles; the substitution of a 5 per cent, tax on picture shows and films instead of the present foot tax, and doubling the tax rate on admissions.

Increases of taxes on soft drinks, mineral waters and chewing gum are proposed, 10 cents a gallon on gasoline, and a 10 per cent. tax on wire leases. With these are grouped taxes on male household servants ranging from 25 per cent. of the wages of one to 100 per cent. of the combined wages of four or more, and taxes on female servants in excess

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A FEW OF THE OUESTIONS ANSWERED.

Has Britain interests in Persia? Are cotton mills developing greatly in Japan? Where does Great Britain get most of her copper from?

Does Australia lead the world in wool pro-duction?

Do women receive the same wages in munition factories as men

When was the first Conscription Bill passed in the House of Commons? What is the liquid fire used by the Ger-

Are the Allies using it too? What is a laorimal shell?

Who invented the first submarine? What was the value of the cargo of the "Deutschland"?

What is the difference between an airship and an aeroplane? What is a Diesel engine?

What is International law? When was the Paris Conference held? What is the Rhine Navigation Treaty?

How many races are taking part in the pre-sent war? What are the religions of the Entente Powers? What country has the largest hirth rate?

What is the population of Russia? How many men are there in a division? What were the naval strengths of the Great Powers in 1914?

What ships were lost in the Jutland battle? How many miles is it from Berlin to Bagdad? How many cables are there across the Atlan-

What possessions had Germany in the Pacific? How long is the Panama Canal? What is a Czech?

What is the so-called French Foreign Legion? Are there many Jews in Palestine? How old is Lloyd George? Is Lord Northeliffe an Irishman?

What is a glacis?

How much gold is there in a sovereign? What does "Dora" mean? What is tolite? Etc., etc.

of one exempted, ranging from 10 per cent. on each additional one to 100 per cent. on all over four in number.

Since 1914-15 there has been a steady increase in India, both in the number of companies and in the average authorised capital, the number registered at the end of March last being 278. These include banking and loan companies, 45; printing, publishing, etc., 14; tea and other planting companies, 37; coal mining and quarrying, 19; cotton mills, 6; jute mills, 2; and cotton and jute screws and presses, 5. India at the present time is reported to be enjoying a considerable degree of prosperity.

During the past fifteen years the membership of building and loan associations in U.S.A. has increased 150 per cent, and since the war broke out the number of members has expanded 52 per cent. Fifteen years ago the assets of these associations aggregated 577,228,014 dols., and for the fiscal year 1914-15, they were 1,357,707,900 dols. By 1917-18, however, assets had increased to 1,769,142,175 dols., the gain over the first-named period being 206 per cent, and over the second 30 per cent. The associations are patronised almost wholly by wage-earners.

Life insurance has developed along remarkable lines in the United States, the Government having become an extensive insurer by offering protection to its soldiers and sailors. Up to June 28th the Government had written policies aggregating about £4,400,000,000, and this sum, with about £5,500,000,000 carried by the regular level premium companies, and. with friendly society insurmade total of ance. a about £12,000,000,000 for the American people.

It was reported from Pekin about the beginning of August that a Japanese syndicate had agreed to lend to the Chinese Government about £2,000,000, secured upon the forests and mines of Kirm, which province has, however, made protestations. About the same time the United States Government agreed to an American bankers' loan to China, provided China cancelled all her outstanding loans, and that all loans

shall be shared by bankers of the United States, Great Britain, France and Japan. When latest mail advices left the Old Country full details of the proposed loan lad not been completed, but £10,000,000 was stated to be the approximate figure under consideration for America's first advance.

Commenting upon the enormous surplus stocks of wheat in Australia, the London Statist asserts, "shippers have grown weary waiting for tonnage. . . . It is difficult to see how the most elaborate precautions can preserve such a large quantity of grain from the attacks of rodents or weevils, but we understand that the conditions in regard to storage which we formerly criticised have of late shown a considerable improvement. The carrying over of such huge stores of grain must, however, impose a heavy burden on Australian financial houses, and it is to be feared that Australian farmers, discouraged by the failure to move recent crops, may diminish their production, apprehensive of a falling market."

In replying to a question on the British debt to the United States, Mr. Bonar Law recently said in the House of Commons he had no figures for the amount of British Government sterling obligations held in the United States, but the figure was believed to be insignificant. The amount of dollar obligations for which the British Treasury was ultimately responsible, issued during the war to persons and institutions in or to the Government of the United States up to June 30th was 4,245,418,000 dollars, or, say, £891,000,000, at the present rate of exchange. That includes any small amounts which may have been subsequently transferred to Canadian or other investors outside the United States.

In our issue of the 5th inst, appeared an announcement to deaf people, made by the Wilson Ear-Drum Co, of 49 Elizabeth Street, Melbourne, and through an inadvertence the word "Drum" was omitted from the address. The device is really an artificial Ear-Drum, and the name of the company, when properly printed, is in itself explanatory of the instrument, so the omission of the word "Drum" was unfortunate, and we publish this little note in reparation for the inadvertence.

ESPERANTO NOTES.

The Japan Salesman, in its last number, devotes the leading article to an account of the uses of Esperanto, strongly urging it on the attention of business people in Allied countries. The journal is distributing a large number of pamphlets entitled An Appeal to Patriotism and Common Sense, setting out the value of Esperanto for the advancement of international trade and national economies. with a foreword by Dr. Katsumi Kroita, assistant professor at Tokyo University, who calls on the patriotism of his fellowcountrymen "to keep pace with our Allies in this language question, so that we may be fully equipped with this new weapon (Esperanto) in order to fight a good fight for our country in the commercial struggle which will open with the return of peace."

In the same issue is an article on The Language Question in Business, from. which the following is quoted: "We are not broaching any new subject when we point out the great difficulties experi-enced daily by business men all over the world owing to the fact that in business so many different languages are being The incredible waste of time, money and energy involved in learning several tongues and in publishing pricelists, catalogues, etc., in as many different languages as markets is a thing too well known to all export firms to need much comment. We ourselves, in publishing our journal, are continually well aware of the fact that it can be of real service only to the English-reading business man, but that it does not reach the Spanish, Portuguese, French, Italian or Russian man of business to any appreciable extent." The writer them goes on to show the growing use of Esperanto in business all over the world, and how it is already beginning to overcome the difficulties which he names, and asks: "Why learn Russian, French, Ronmanian, Italian, Portuguese, English, etc., for inter-trading, when there is ready to hand, and in use all the world over, a simple and easily acquired, neutral, international language—Esperanto
—which fills the bill?"

The committee appointed by Mr. Asquith, when Prime Minister, to inquire into the position of modern languages

in the educational system of Great Britain has now issued its report. The committee had also to advise what measures are required to promote the study of modern languages, having in mind the needs of a liberal education and an appreciation of the history, literature and civilisation of other countries, and the interests of commerce and public service. Dr. John Pollen, C.I.E., vice-president of the British Esperanto Association, was invited by the committee to attend, and a whole sitting was devoted to his evidence on Esperanto. The report of the committee is favourable, and it lays stress on the simplicity of Esperanto, saying: "That a skilfully constructed language like Esperanto is easier to learn than any natural language can hardly be contested. All difficulties of accidence, syntax, pronounciation are cut down to a minimum. There are no exceptions and no idioms; the logic of language is reduced to very simple terms." It is suggested by the committee that the Government might, in concert with our Allies, look into the matter of an international language.

At a public meeting in London in honour of Dr. Zamenhof, delayed in deference to Jewish custom until a year after his death, some remarkable tributes were paid. Mr. H. G. Wells wrote, in apologising for absence: "I think Zamenhof one of the finest specimens of that international idealism which is the natural gift of Jewry to mankind. I class him with that strange genius Lubin, of the International Bureau of Agriculture in Rome. I wish I could come to your gatherings to do him honour, but anyhow the work that keeps me away is work for the same ideals of free human intercourse and world-peace. Mr. Aneurin Williams, M.P., wrote: "1 should have liked to testify in a small way my sense of the world's indebtedness, and my firm conviction that in Esperanto we have one of the great instruments for bringing the peoples of the world together, in a League of Nations for peace and for international right. Dr. John Pollen, C.I.E., who presided, pointed out that in an Appeal to Diplomats, published in 1914, Zamenhof had anticipated the proposal of President Wilson to form a League of Nations.



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